THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this Composite Document, the Offer or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED,** you should at once hand this Composite Document and the accompanying Form(s) of Acceptance and Transfer to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or the transferee(s).

 This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance and Transfer, the contents of which form part of the terms and conditions of the Offer.

Ganymede Investment Holdings, L.L.C.
(Incorporated in the State of Delaware with limited liability)

ASIASAT

Asia Satellite Telecommunications Holdings Limited
亞洲衛星控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 1135)

COMPOSITE DOCUMENT IN RELATION TO MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY GOLDMAN SACHS (ASIA) L.L.C. AND MERRILL LYNCH (ASIA PACIFIC) LIMITED ON BEHALF OF GANYMEDE INVESTMENT HOLDINGS, L.L.C. TO ACQUIRE ALL THE ISSUED SHARES OF ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY GANYMEDE INVESTMENT HOLDINGS, L.L.C. AND PARTIES ACTING IN CONCERT WITH IT)

Financial Advisers to Ganymede Investment Holdings, L.L.C.

Goldman Sachs
Lead Financial Adviser

BofA Merrill Lynch
Financial Adviser

Independent Financial Adviser to the Independent Board Committee

ANGLO CHINESE CORPORATE FINANCE, LIMITED 英高

A letter from Goldman Sachs and BofAML containing, among other things, principal terms of the Offer is set out on pages 14 to 29 of this Composite Document. A letter from the Board is set out on pages 30 to 38 of this Composite Document.

A letter from the Independent Board Committee to the Offer Shareholders containing its recommendation in respect of the Offer is set out on pages 39 to 40 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Offer Shareholders in respect of the Offer and the principal factors considered by it in arriving at its recommendation is set out on pages 41 to 77 of this Composite Document.

The procedures for acceptance and other related information in respect of the Offer are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer. Form(s) of Acceptance and Transfer should be received by the Registrar as soon as possible and in any event not later than 4:00 p.m. on Tuesday, 9 June 2015 (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce, with the consent of the Executive, in accordance with the Takeovers Code).

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance and Transfer to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in "Important Notices" beginning on page 3 of this Composite Document, the paragraph headed "Overseas Offer Shareholders" in the "Letter from Goldman Sachs and BofAML" and Appendix I of this Composite Document before taking any action. It is the sole responsibility of the Overseas Offer Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or filing and registration and the payment of any transfer or other taxes due by the accepting Overseas Offer Shareholders in respect of such jurisdictions). Overseas Offer Shareholders are advised to seek professional advice in determining whether or not to accept the Offer.

The Composite Document will remain on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.asiasat.com as long as the Offer remains open.

* *For identification purpose only*

19 May 2015

CONTENTS

EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company as and when appropriate.

Despatch date of this Composite Document and the accompanying Form(s) of Acceptance and Transfer and commencement date of the Offer (*Note 1*)	on Tuesday, 19 May 2015
Latest time and date for acceptance of the Offer (*Notes 2, 3 and 5*)	4.00 p.m. on Tuesday, 9 June 2015
Closing Date (*Note 3*)	Tuesday, 9 June 2015
Announcement of the results of the Offer (or its extension or revision, if any), to be posted on the website of the Stock Exchange (*Note 3*)	No later than 7:00 p.m. on Tuesday, 9 June 2015
Latest date for posting of remittances in respect of valid acceptances received under the Offer (*Notes 4*)	Thursday, 18 June 2015

Notes:

1. The Offer, which is unconditional, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until the Closing Date.

2. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which their Composite Document is posted. The Offer will be closed for acceptances at 4:00 p.m. on Tuesday, 9 June 2015 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. Beneficial owners of Share(s) who hold their Share(s) in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph 4 headed "Right of Withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

3. An announcement will be issued on the website of the Stock Exchange no later than 7:00 p.m. on Tuesday, 9 June 2015 stating whether the Offer has been extended, revised or has expired. In the event that the Offeror decides that the Offer will remain open until further notice, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Offer Shareholders who have not accepted the Offer. The Offeror may declare the Offer be extended and open for acceptances (i) up to the date that is four (4) months from the day this Composite Document is posted or (ii) if the Offeror has by that time become entitled to exercise compulsory acquisition rights, until any such later date as the Offeror may choose to close the Offer in accordance with the Takeovers Code.

4. Remittances in respect of the cash consideration (after deducting the seller's *ad valorem* stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Offer Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event within 7 Business Days after the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid), in accordance with the Takeovers Code. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to paragraph 4 headed "Right of withdrawal" in Appendix I to this Composite Document for further information on the circumstances where acceptances may be withdrawn.

5. If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning:

   (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day; or

   (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for despatch of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day.

All references to dates and times contained in this Composite Document and Form(s) of Acceptance and Transfer refer to Hong Kong dates and times.

Save as mentioned above, if the latest time for the acceptance of the Offer and the despatch of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Offer Shareholders by way of announcement(s) of any change in the expected timetable as soon as possible.

NOTICE TO U.S. HOLDERS OF OFFER SHARES

The Offer is being made for the securities of a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange in Hong Kong and is subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong, which are different from those of the United States. In addition, U.S. holders of the Offer Shares should be aware that this Composite Document has been prepared in accordance with Hong Kong format and style, which differ from those of the United States. The Offer is being extended into the United States pursuant to the applicable U.S. tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Offer will comply with the relevant Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which may be different from those applicable under U.S. domestic tender offer procedures and laws.

This Composite Document has not been submitted to, or reviewed by, the U.S. Securities Exchange Commission (the "**SEC**") or any U.S. state securities commission and neither the SEC nor any such U.S. state securities commission has approved or disapproved of, or passed upon the fairness and merits of the Offer described in, or upon the accuracy and adequacy of the information disclosed in, this Composite Document.

The receipt of cash pursuant to the Offer by a U.S. holder of Offer Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each U.S. holder of Offer Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of accepting the Offer.

The financial information of the Group included in this Composite Document has been extracted from the audited financial statements for the three years ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Such financial information may not be wholly comparable to financial information of U.S. companies or companies whose financial statements are solely prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for U.S. holders of Offer Shares to enforce their rights and claims arising out of U.S. securities laws, since the Company is incorporated in a country other than the United States, and some or all of its officers and directors may be residents of non-U.S. jurisdictions. In addition, most of the assets of the Group are located outside the United States. U.S. holders of Offer Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult for U.S. holders of Offer Shares to effect service of process within the United States upon the Company or its officers or directors, to enforce a U.S. court's judgment against them or to compel them or their affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the Securities Exchange Act of 1934, as amended, and the rules and regulation promulgated thereunder (the "**U.S. Exchange Act**"), the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Offer Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law and is made outside the United States, and (ii) the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and will be available on the website of the SFC at http://www.sfc.hk/.

NOTICE TO HOLDERS OF OFFER SHARES OUTSIDE OF HONG KONG AND THE UNITED STATES

The Offer is in respect of a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange in Hong Kong and is therefore subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong which may be different to those in other jurisdictions. The ability of Offer Shareholders who are citizens, residents or nationals of jurisdictions outside of Hong Kong to participate in the Offer may be subject to the laws and regulations of the relevant jurisdictions. It is the sole responsibility of the Overseas Offer Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required, the filing and registration and payment of any transfer or other taxes due by such Overseas Offer Shareholder and the compliance with other necessary formalities in such relevant jurisdictions). Overseas Offer Shareholders are advised to seek professional advice in determining whether or not to accept the Offer.

Please refer to the paragraphs headed "Overseas Offer Shareholders" in the "Letter from Goldman Sachs and BofAML" and Appendix I of this Composite Document before taking any action.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements.

In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:

"**acting in concert**"	has the meaning ascribed to that term in the Takeovers Code and "**concert parties**" shall be construed accordingly
"**Able Star**"	Able Star Associates Limited, a company incorporated in the British Virgin Islands, an indirect wholly-owned subsidiary of CITIC Limited and a majority owned indirect subsidiary of CITIC Group, and a shareholder of Bowenvale
"**associate**"	has the meaning ascribed to that term under the Takeovers Code
"**Board**"	the board of Directors
"**BofAML**"	Merrill Lynch (Asia Pacific) Limited, a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), and Type 6 (advising on corporate finance) regulated activities under the SFO, which is a financial adviser to the Purchaser in respect of the Purchase and to the Offeror in respect of the Offer
"**Borrower(s)**"	the Company, HK Subsidiary and/or any of the Company's subsidiaries as nominated by the Purchaser
"**Bowenvale**"	Bowenvale Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company, which is jointly owned by CITIC Group (indirectly through Able Star) and the Purchaser
"**Bowenvale Shares**"	ordinary shares of HK$0.10 each in the issued share capital of Bowenvale
"**Business Day**"	a business day is a day on which the Stock Exchange is open for the transaction of business
"**Carlyle**"	The Carlyle Group L.P. and its affiliates (as the context may require)
"**Carlyle Asia Partners IV**"	Carlyle Asia Partners IV, L.P., an exempt limited partnership established in the Cayman Islands
"**CCASS**"	the Central Clearing and Settlement System established and operated by HKSCC
"**CITIC Group**"	CITIC Group Corporation, an enterprise established and existing under the laws of the PRC

"**CITIC Limited**"	CITIC Limited, a company incorporated in Hong Kong, whose shares are currently listed on the Stock Exchange (Stock code: 267)
"**Closing Date**"	9 June 2015, being the closing date of the Offer, or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and announced with the consent of the Executive in accordance with the Takeovers Code
"**Company**"	Asia Satellite Telecommunications Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose ordinary shares are currently listed on the Stock Exchange (Stock code: 1135)
"**Companies Act**"	The Companies Act 1981 of Bermuda, as amended from time to time
"**Completion**"	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Share Purchase Agreement
"**Composite Document**"	this composite offer and response document in respect of the Offer jointly issued by the Offeror and the Company
"**DDTC**"	the U.S. State Department's Directorate of Defense Trade Controls
"**Directors**"	directors of the Company
"**Dividend Facility**"	the term loan and revolving loan facilities from the Financing Banks of up to US$240,000,000 pursuant to the Dividend Facility Agreement
"**Dividend Facility Agreement**"	the term loan and revolving loan facilities agreement to be entered into between, among others, the Company and HK Subsidiary and the Financing Banks
"**Dividend Facility Amount**"	US$234,000,000
"**Encumbrance(s)**"	(a) any mortgage, pledge, charge, lien, guarantee, trust arrangements or any other similar restriction on rights securing, or conferring any priority of payment in respect of, any obligation of any person; (b) any valid proxy, power of attorney, voting trust agreement, beneficial interest, option, right of pre-emption, right of first offer or refusal or other transfer restriction in favour of any person; and (c) any adverse, legal and valid claim as to title, possession or use
"**ESAS**"	the existing share award scheme adopted by the Company on 22 August 2007, as amended on 7 June 2012

"**ESAS Trustee**"	Equity Trust (Jersey) Limited, a company incorporated in Jersey
"**Executive**"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"**Filing Delay**"	the Purchaser's failure to submit to the Anti-Monopoly Bureau within MOFCOM, within seven (7) SPA Business Days following the date of the Share Purchase Agreement, the merger filings in connection with satisfying the MOFCOM Condition
"**Financing Banks**"	CTBC Bank Co., Ltd, Cathay United Bank Co., Ltd, Mega International Commercial Bank Co., Ltd and ING Bank N.V., Singapore Branch
"**Form(s) of Acceptance and Transfer**"	the form(s) of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
"**Framework Agreement**"	the framework agreement dated 23 December 2014 between the Purchaser and Able Star
"**GEC**"	General Electric Company, a company incorporated and listed in the United States of America with a diverse global shareholder base
"**Goldman Sachs**"	Goldman Sachs (Asia) L.L.C., a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which is the lead financial adviser to the Purchaser in respect of the Purchase and to the Offeror in respect of the Offer
"**Group**"	the Company and its subsidiaries
"**Hang Seng Index**"	the Hang Seng Index published by Hang Seng Indexes Company Limited or any successor company or organisation
"**HKSCC**"	Hong Kong Securities Clearing Company Limited
"**HK$**"	Hong Kong dollars, the lawful currency of Hong Kong
"**HK Subsidiary**"	Asia Satellite Telecommunications Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC

"**Independent Board Committee**"	the independent board committee of the Board established for the purpose of advising the Offer Shareholders in respect of the Offer, comprising all the independent non-executive Directors of the Company, namely Mr. James WATKINS, Mr. Stephen LEE Hoi Yin, Mr. Kenneth McKELVIE and Ms. Maura WONG Hung Hung
"**Independent Financial Adviser**" or "**Anglo Chinese**"	Anglo Chinese Corporate Finance, Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, being the independent financial adviser to the Independent Board Committee and the Offer Shareholders in respect of the Offer
"**Indirect Share Security**"	the MGO Borrower Share Security and the Offeror Share Security
"**Initial Index**"	the closing value (expressed in points) of the Hang Seng Index on the date of the Share Purchase Agreement, being 23,333.69
"**ITAR**"	the International Traffic in Arms Regulations
"**Joint Announcement**"	the announcement jointly published by the Offeror and the Company dated 23 December 2014 in relation to, among other things, the Share Purchase Agreement and the Offer
"**Jupiter Group Holdings Limited**"	Jupiter Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability
"**Last Trading Day**"	23 December 2014, being the last trading day immediately prior to the release of the Joint Announcement
"**Latest Practicable Date**"	15 May 2015, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"**Listing Rules**"	The Rules Governing the Listing of Securities on the Stock Exchange
"**Management**"	the President and Chief Executive Officer, Vice President, Finance and Chief Financial Officer and General Counsel of the Company
"**Market Disruption Event**"	would have occurred if, on the Relevant Date, the closing value (expressed in points) of the Hang Seng Index had declined by 10% or more, as compared to the value (expressed in points) of the Initial Index

"**MGO Borrower**"	Ganymede Intermediate Limited, a company incorporated in the Cayman Islands with the registered number 293154, a direct holding company of the Offeror and an indirect wholly-owned subsidiary of Jupiter Group Holdings Limited
"**MGO Borrower Share Security**"	the share charge dated 23 December 2014 between Ganymede Parent Limited and Cathay United Bank Co., Ltd. as security agent in respect of Ganymede Parent Limited's shares in MGO Borrower
"**MGO Debt Facility**"	term loan facility in an aggregate amount of up to US$200,000,000 granted by the Financing Banks pursuant to the MGO Facility Agreement
"**MGO Facility Agreement**"	the facility agreement dated 23 December 2014 and as amended on 15 April 2015 between, among others, MGO Borrower as borrower, the Offeror as guarantor, CTBC Bank Co., Ltd. as facility agent, Cathay United Bank Co., Ltd. as security agent and the Financing Banks as lenders
"**MOFCOM**"	Ministry of Commerce of the PRC
"**MOFCOM Condition**"	has the same meaning as stated under the section headed "***THE SHARE PURCHASE AGREEMENT** — Conditions*" in the Joint Announcement
"**New Shareholders' Agreement**"	the shareholders' agreement dated 23 December 2014 between the Purchaser, Able Star and Bowenvale
"**Offer**"	the mandatory unconditional general cash offer made by Goldman Sachs and BofAML, on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it subject to the terms set out in this Composite Document
"**Offeror**"	Ganymede Investment Holdings, L.L.C., a company incorporated in the State of Delaware with file number 5630441, a direct wholly-owned subsidiary of MGO Borrower and an indirect wholly-owned subsidiary of Jupiter Group Holdings Limited
"**Offeror Group**"	the Offeror and parties acting in concert with it (including Bowenvale, Able Star, the Purchaser and CITIC Group)
"**Offeror Share Security**"	the share charge dated 23 December 2014 between MGO Borrower and Cathay United Bank Co., Ltd. as security agent in respect of MGO Borrower's shares in the Offeror

"**Offer Period**"	the period from 23 December 2014, being the date of the Joint Announcement to the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code
"**Offer Share(s)**"	all Shares (other than those already owned or agreed to be acquired by the Offeror or parties acting in concert with it including, for the avoidance of doubt, Bowenvale) that are subject to the Offer, being 100,020,805 Shares as at the Latest Practicable Date
"**Offer Shareholder(s)**"	registered holders of the Offer Shares
"**Overseas Offer Shareholder(s)**"	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
"**PRC**"	the People's Republic of China and, for the purpose of this Composite Document, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"**Purchase**"	the purchase of the Sale Shares by the Purchaser from the Sellers in accordance with the terms and conditions of the Share Purchase Agreement
"**Purchaser**"	Jupiter Investment Holdings, L.L.C., a company incorporated in the State of Delaware with file number 5630439, a direct wholly-owned subsidiary of the SPA Borrower and an indirect wholly-owned subsidiary of Jupiter Group Holdings Limited
"**Purchaser Nominee Directors**"	Mr. Julius GENACHOWSKI, Mr. Alex S. YING and Mr. Gregory Michael ZELUCK
"**PwC**"	PricewaterhouseCoopers, Certified Public Accountants, the auditor of the Group
"**Registrar**"	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its registered address at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong
"**Relevant Date**"	8 May 2015, being the day which is 2 SPA Business Days before Completion

"**Relevant Period**"	the period commencing on 23 June 2014, being the date falling six months prior to 23 December 2014 (being the date of commencement of the Offer Period) and ending on the Latest Practicable Date
"**Sale Shares**"	the 144,131,474 Bowenvale Shares acquired by the Purchaser from the Sellers on and subject to the terms of the Share Purchase Agreement
"**Seller A**"	GE Capital Equity Investments, Inc., a company incorporated in the State of Delaware, the registered office of which is situated at 201 Merritt 7, P.O. Box 5201, Norwalk, CT 06856, United States of America and an indirect wholly-owned subsidiary of GEC
"**Seller B**"	GE Pacific-1 Holdings, Inc., a company incorporated in the State of Delaware, the registered office of which is situated at 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America and an indirect wholly-owned subsidiary of GEC
"**Seller C**"	GE Pacific-2 Holdings, Inc., a company incorporated in the State of Delaware, the registered office of which is situated at 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America and an indirect wholly-owned subsidiary of GEC
"**Seller D**"	GE Pacific-3 Holdings, Inc., a company incorporated in the State of Delaware, the registered office of which is situated at 2711 Centerville Road, Suite 400, Wilmington, DE 19808, United States of America and an indirect wholly-owned subsidiary of GEC
"**Sellers**"	Seller A, Seller B, Seller C and Seller D, and "**Seller**" means any one (1) of them
"**Seller Nominee Directors**"	Mr. Sherwood P. DODGE, Mr. John F. CONNELLY and Ms. Nancy KU
"**SFC**"	the Securities and Futures Commission of Hong Kong
"**SFO**"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"**Share(s)**"	ordinary share(s) of par value HK$0.10 each in the issued share capital of the Company

"**Share(s) Security**"	(a) the share charge dated 23 December 2014 between the Offeror and Cathay United Bank Co., Ltd. as security agent and (b) the securities account charge dated 23 December 2014 between the Offeror and Cathay United Bank Co., Ltd. as security agent
"**Shareholder(s)**"	holder(s) of Share(s)
"**Share Purchase Agreement**"	the conditional share purchase agreement dated 23 December 2014 and entered into between the Sellers and the Purchaser in relation to the sale and purchase of the Sale Shares
"**SPA Borrower**"	Jupiter Intermediate Limited, a company incorporated in the Cayman Islands with the registered number 293155, a direct holding company of the Purchaser and an indirect wholly-owned subsidiary of Jupiter Group Holdings Limited
"**SPA Business Day**"	a day other than a Saturday, Sunday or public holiday in Hong Kong or Taiwan
"**SPA Debt Facilities**"	term loan facilities in an aggregate amount of up to US$296,000,000 granted by the Financing Banks pursuant to the SPA Facilities Agreement
"**SPA Facilities Agreement**"	the facilities agreement dated 23 December 2014 between, among others, SPA Borrower as borrower, CTBC Bank Co., Ltd. as facility agent, Cathay United Bank Co., Ltd. as security agent and the Financing Banks as lenders
"**SPA Parent**"	Jupiter Parent Limited, a company incorporated in the Cayman Islands with the registered number 293115, a direct holding company of the SPA Borrower and a direct wholly-owned subsidiary of Jupiter Group Holdings Limited
"**Special Interim Dividend**"	the special interim dividend(s) which, upon approval by the Board, may be declared by the Company and paid on a pro rata basis to all Shareholders of the Company to distribute inter alia the funds received by the Company after the close of the Offer and after the drawdown of funds from the Dividend Facility
"**State of Delaware**"	the State of Delaware of the United States of America
"**Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**Takeovers Code**"	The Code on Takeovers and Mergers
"**Trading Day**"	any day on which the Stock Exchange is open for trading on each of its regular trading sessions

"**Transaction**"	the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Share Purchase Agreement
"**US$**"	United States dollars, the lawful currency of the United States of America
"**U.S.**" or "**United States**"	United States of America
"**%**"	per cent.

1. All time and date references contained in this Composite Document are to Hong Kong times and dates.

2. Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.

3. The singular includes the plural and vice versa, unless the context otherwise requires.

4. References to any Appendix, paragraph and any sub-paragraphs of them are references to the Appendices to, and paragraphs of, this Composite Document and any subparagraphs of them respectively.

5. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.

6. Reference to one gender is a reference to all or any genders.

Goldman Sachs

BofA Merrill Lynch

To the Offer Shareholders

19 May 2015

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH GENERAL OFFER BY GOLDMAN SACHS (ASIA) L.L.C. AND MERRILL LYNCH (ASIA PACIFIC) LIMITED ON BEHALF OF GANYMEDE INVESTMENT HOLDINGS, L.L.C. TO ACQUIRE ALL THE ISSUED SHARES OF ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY GANYMEDE INVESTMENT HOLDINGS, L.L.C. AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

It was announced in the Joint Announcement that on 23 December 2014 (after trading hours) the Sellers and the Purchaser entered into the Share Purchase Agreement, pursuant to which the Sellers conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, being 144,131,474 Bowenvale Shares in aggregate (representing a 49.50% economic interest and 50.00% voting interest in Bowenvale as at the Latest Practicable Date), for a total cash consideration of (a) HK$3,576,836,924 (equivalent to HK$24.82 per Sale Share (rounded to 2 decimal places)) or approximately US$461,307,108 (equivalent to US$3.20 per Sale Share (rounded to 2 decimal places)), or (b) HK$3,747,418,324 (equivalent to HK$26.00 per Sale Share) or approximately US$483,307,108 (equivalent to US$3.35 per Sale Share (rounded to 2 decimal places)) if either a Market Disruption Event did not occur or a Filing Delay occurred.

On 12 May 2015, the Offeror and the Company jointly announced that Completion had taken place on 12 May 2015 and that there was no Market Disruption Event and no Filing Delay, resulting in a total cash consideration of HK$3,747,418,324.00 (equivalent to HK$26.00 per Sale Share). The total cash consideration was paid by the Purchaser to the Sellers in US$, at an agreed exchange rate of US$1:HK$7.7537. The Sale Shares comprised 11,023,499, 6,655,399, 6,655,399 and 119,797,177 Bowenvale Shares that were sold by Seller A, Seller B, Seller C and Seller D, respectively.

As stated in the Joint Announcement, the Purchaser, Able Star and Bowenvale entered into the New Shareholders' Agreement on 23 December 2014 which is on substantially the same terms as the Current Shareholders' Agreement. The New Shareholders' Agreement came into effect immediately following Completion on 12 May 2015 and the Current Shareholders' Agreement was terminated on the same day. Able Star and the Purchaser also entered into the Framework Agreement on 23 December 2014 which sets out each parties' respective rights and obligations with respect to the Transaction, the Offer and post-Offer refinancing and recapitalisation.

As the only substantial asset of Bowenvale is its holding of 291,174,695 Shares in the Company, this consideration represents an effective price per Share of HK$26.00 or US$3.35 (rounded to 2 decimal places).

The Executive took the view that the acquisition by the Purchaser of the Sale Shares pursuant to the Share Purchase Agreement would, on Completion, result in the formation of a new concert group between the Purchaser, Able Star and Bowenvale that has statutory control over the Company, thereby triggering a mandatory unconditional general offer obligation under the Takeovers Code in respect of the Company. Immediately after Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 291,174,695 Shares held by Bowenvale, representing approximately 74.43% of the issued share capital of the Company. Hence, we, on behalf of the Offeror, are making a mandatory unconditional general cash offer in accordance with Rule 26.1 of the Takeovers Code for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

This letter forms part of this Composite Document and sets out, among other things, the principal terms of the Offer, the information on the Offeror and the Offeror's intentions regarding the Group. Further details of the Offer are also set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer. Your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" to the Offer Shareholders and the "Letter from Anglo Chinese Corporate Finance, Limited" to the Independent Board Committee and the Offer Shareholders as contained in this Composite Document.

THE OFFER

Principal terms of the Offer

We are making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code, to acquire the Offer Shares on the following basis:

For each Offer Share accepted under the Offer . . . . **HK$26.00 in cash**

The Offer extends to all Offer Shares in issue on the date on which the Offer is made, other than those already owned by the Offeror and parties acting in concert with it.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

Comparisons of value

The offer price of HK$26.00 per Offer Share represents:

- a discount of approximately 9.41% to the closing price of HK$28.70 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- a discount of approximately 3.70% to the closing price of HK$27.00 per Share as quoted on the Stock Exchange on 23 December 2014, being the Last Trading Day;
- a discount of approximately 1.85% to the average closing price of approximately HK$26.49 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 2.35% to the average closing price of approximately HK$26.63 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 3.27% to the average closing price of approximately HK$26.88 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- a discount of approximately 2.48% to the average closing price of approximately HK$26.66 per Share as quoted on the Stock Exchange for the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day; and
- a premium of approximately 43.11% over the audited consolidated net assets per Share of approximately HK$18.17 as at 31 December 2014 (being the date to which the latest audited consolidated annual financial statements of the Group were made up), calculated based on the Group's audited consolidated net assets of approximately HK$7,107,023,000 as at 31 December 2014 and 391,195,500 Shares in issue as at the Latest Practicable Date.

Market prices of the Shares

The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on (a) the last Business Day of each of the calendar months during the Relevant Period; (b) the Last Trading Day; and (c) the Latest Practicable Date:

Date	Closing price per Share
	(HK$)
30 June 2014	29.35
31 July 2014	27.05
29 August 2014	27.40
30 September 2014	26.00
31 October 2014	27.00
28 November 2014	27.10
23 December 2014 (being the Last Trading Day)	27.00
30 January 2015	27.00
27 February 2015	28.10
31 March 2015	28.50
30 April 2015	27.40
15 May 2015 (being the Latest Practicable Date)	28.70

Highest and lowest prices of the Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period was HK$31.50 per Share on 23 June 2014 and HK$25.95 per Share on 17 October 2014 and 21 October 2014.

Value of the Offer

As at the Latest Practicable Date, there were 391,195,500 Shares in issue and the Company did not have any outstanding options, warrants or derivatives or other securities which may confer to the holder(s) thereof any right to subscribe for, convert or exchange into Shares. The Company has not entered into any agreement for the issue of any Shares or options, warrants, derivatives or other securities which may confer to the holder(s) thereof any right to subscribe for, convert or exchange into Shares.

Assuming that there is no change in the total number of issued Shares from the Latest Practicable Date up to the Closing Date and based on the offer price of HK$26.00 per Offer Share, the entire issued share capital of the Company is valued at HK$10,171,083,000. The Offer is being made to the Offer Shareholders only. As the Offeror and parties acting in concert with it held an aggregate of 291,174,695 Shares as at the Latest Practicable Date, 100,020,805 Shares were subject to the Offer. Based on the offer price of HK$26.00 per Offer Share, the total consideration of the Offer would be HK$2,600,540,930.

Confirmation of financial resources

The financial resources required by the Offeror to satisfy its obligations in respect of the Offer amount to HK$2,600,540,930 (equivalent to approximately US$335,484,407[1]). The Offeror intends to finance the consideration payable by the Offeror under the Offer with (a) equity commitments from Carlyle Asia Partners IV, and (b) debt financing to be provided under the MGO Facility Agreement. Carlyle Asia Partners IV is ultimately controlled by The Carlyle Group L.P. The Carlyle Group L.P. is listed on the Nasdaq Stock Exchange (ticker reference: CG). Carlyle is a global alternative asset manager with US$193 billion of assets under management across 130 funds and 156 fund of funds vehicles as of 31 March 2015. The Offeror has a binding equity commitment letter dated 23 December 2014 from Carlyle Asia Partners IV pursuant to which Carlyle Asia Partners IV has agreed, *inter alia*, to provide funding to the Offeror for it to use to pay a portion of the total cash consideration payable by the Offeror under the Offer (with the other portion being funded by the debt financing being provided under the MGO Facility Agreement).

On 23 December 2014, the MGO Borrower as borrower and the Offeror as guarantor entered into the MGO Facility Agreement in respect of the MGO Debt Facility. The Offeror intends to use the funds available under the MGO Facility Agreement to satisfy up to 60% of the consideration payable by the Offeror under the Offer.

The Financing Banks' obligation to provide the MGO Debt Facility under the MGO Facility Agreement is subject to the satisfaction of certain conditions precedent which include, among others, the Offer being launched on an unconditional basis.

Goldman Sachs, the lead financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the acceptance of the Offer in full.

Effect of accepting the Offer

By accepting the Offer, an Offer Shareholder(s) will sell its Share(s) free from all Encumbrances and with all rights now and in the future attaching to them, including the right to receive all dividends, distributions or any return of capital declared, made or paid on or after the date on which the Offer is made, i.e., the date of this Composite Document.

For the avoidance of doubt, any Offer Shareholder who accepts the Offer will not be entitled to participate in any dividends which may be declared by the Company following the close of the Offer (including any Special Interim Dividend).

The Offer is unconditional in all respects and will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offer tendered by the Offer Shareholders shall be unconditional and irrevocable once given and cannot be withdrawn except in the circumstances set out in Rule 19.2 of the Takeovers Code, details of which are set out in paragraph 4 headed "*Right of Withdrawal*" in Appendix I to this Composite Document.

[1] Using an exchange rate of US$1.00 = HK$7.7516

THE NEW SHAREHOLDERS' AGREEEMENT

As stated in the Joint Announcement, the Purchaser, Able Star and Bowenvale entered into the New Shareholders' Agreement on 23 December 2014 which is on substantially the same terms as the Current Shareholders' Agreement. The New Shareholders' Agreement came into effect immediately following Completion on 12 May 2015 and the Current Shareholders' Agreement was terminated on the same day.

Following Completion on 12 May 2015, the board of Bowenvale shall comprise three (3) directors nominated by Able Star and three (3) directors nominated by the Purchaser. The right to nominate the deputy chairman and the chairman of Bowenvale will rotate on a two (2) yearly basis between Able Star and the Purchaser. The quorum for the meetings of the board of Bowenvale (other than adjourned meetings) shall be two (2) directors, one (1) appointed by Able Star and one (1) appointed by the Purchaser. Decisions of the board of Bowenvale shall be by unanimous vote of the directors present. Neither the chairman nor the deputy chairman will have an additional vote at the board meetings.

The New Shareholders' Agreement provides that the Board (unless otherwise agreed by Able Star and the Purchaser) shall comprise three (3) Directors nominated by Able Star, three (3) Directors nominated by the Purchaser and (for so long as the Company remains listed on the Stock Exchange) one (1) Executive director being the chief executive officer of the Company and four (4) independent non-executive Directors. Please see the section headed "PROPOSED CHANGE OF BOARD COMPOSITION" below on the actual composition of the current Board and the proposed changes to the Board as of the date of this Composite Document. Bowenvale shall make representations to the Board from time to time requesting that the Board shall appoint Bowenvale's chairman as chairman of the Board and Bowenvale's deputy chairman as deputy chairman of the Board.

Subject to certain exceptions: (a) pursuant to the New Shareholders' Agreement, Bowenvale must notify Able Star and the Purchaser when the voting rights attaching to the Shares are to be or may be exercised and Able Star and the Purchaser shall communicate to Bowenvale their respective wishes with respect to how they want such voting rights exercised, (b) where the wishes expressed by Able Star and the Purchaser in respect of a particular resolution are the same, Bowenvale must exercise the voting rights attaching to the Shares owned by Bowenvale in accordance with the common wish of Able Star and the Purchaser, and (c) where the wishes expressed by Able Star and the Purchaser in respect of a particular resolution are not the same (or Able Star or the Purchaser fails to communicate its wishes to Bowenvale), Bowenvale must vote against such resolution.

Pursuant to the New Shareholders' Agreement, neither Able Star nor the Purchaser are able to dispose of their Bowenvale Shares, nor are they able to require Bowenvale to dispose of their attributable Shares, without the prior written consent of the other.

With respect to the payment of dividends, as soon as practicable after the payment to Bowenvale of any dividends on or with respect to the Shares owned by Bowenvale, Bowenvale shall distribute such dividends to Able Star and the Purchaser (subject to deductions, withholdings, retentions and/or postponements in certain circumstances).

THE FRAMEWORK AGREEMENT

As stated in the Joint Announcement, Able Star and the Purchaser also entered into the Framework Agreement on 23 December 2014 which sets out each parties' respective rights and obligations with respect to the Transaction, the Offer and post-Offer refinancing and recapitalisation.

Dividend Facility

Under the Framework Agreement, Able Star and the Purchaser agree that following Completion (which took place on 12 May 2015), as soon as reasonably practicable following receipt by Able Star of a request from the Purchaser, Able Star and the Purchaser shall procure that (a) the Borrower(s) enter into the Dividend Facility as borrower(s), (b) the Borrower(s) use(s) best endeavours to satisfy the conditions of the Dividend Facility and thereafter (but not until after the closing of the offer period of the Offer) draw down the Dividend Facility Amount, and (c) the Borrower(s) comply(ies) with their respective obligations in the Dividend Facility (including by providing security over their respective assets or the assets of their respective subsidiaries if so required by the terms of the Dividend Facility).

Dividends

Pursuant to the Framework Agreement, Able Star and the Purchaser agree that following the drawdown by the Borrower(s) of any of the Dividend Facility Amount, Able Star and the Purchaser shall procure that the Company eventually distributes by way of interim dividend US$600,000,000 in aggregate (or, if less, the greatest amount which the Company is entitled to distribute pursuant to applicable laws) as soon as reasonably practicable following the close of the offer period of the Offer but in any event within the twelve (12) month period following Completion.

INFORMATION ON THE OFFEROR

The Offeror has been established for the implementation of the Offer and has no other business activities. The Offeror is an investment holding company incorporated in the State of Delaware on 29 October 2014 with limited liability. The Offeror is indirectly wholly owned by Jupiter Group Holdings Limited, which in turn is majority owned by Carlyle Asia Partners IV. Carlyle Asia Partners IV is an exempt limited partnership established under the laws of Cayman Islands, and is a private investment fund managed by Carlyle and is ultimately controlled by The Carlyle Group L.P.

Carlyle is a global alternative asset manager with US$193 billion of assets under management across 130 funds and 156 fund of funds vehicles as of 31 March 2015. It is headquartered in the United States with more than 1,650 professionals operating in 40 offices in North America, South America, Europe, the Middle East, Africa, Asia and Australia. The Carlyle Group L.P. is listed on the Nasdaq Stock Exchange (ticker reference: CG). Carlyle operates as an investment management firm, not as a conglomerate or a holding company. Accordingly, each company in its investment portfolio is independently managed and financed and each has different investors (although the investors in different funds managed by Carlyle may overlap).

Further information and the latest financial statements are contained on Carlyle's website and are available at http://ir.carlyle.com/index.cfm.

INFORMATION ON BOWENVALE

Bowenvale is an exempted company incorporated in the British Virgin Islands with limited liability. It is a joint venture vehicle directly owned by Able Star (being a wholly-owned indirect subsidiary of CITIC Limited and a majority owned indirect subsidiary of CITIC Group) and the Purchaser. As at the Latest Practicable Date, Able Star holds a 50.00% voting interest and a 50.50% economic interest in Bowenvale, and the Purchaser holds a 50.00% voting interest and a 49.50% economic interest in Bowenvale in aggregate.

INFORMATION ON THE GROUP

The Company is incorporated in Bermuda with limited liability, and the Shares have been listed on the Main Board of the Stock Exchange since 1996 (trading under the stock code of 1135). The Group is principally engaged in the provision of satellite transponder capacity and satellite services to broadcasting and telecommunications markets.

A summary of the audited consolidated results of the Group for each of the two years ended 31 December 2014 and 2013 is set out below:

	For the year ended 31 December	
	2014	**2013**
	(HK$'000)	*(HK$'000)*
Turnover	1,364,958	1,498,631
Profit before income tax	723,220	897,747
Profit attributable to shareholders	559,139	747,640

As at 31 December 2014, the audited consolidated net assets of the Group were approximately HK$7,107 million.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Offeror intends to continue the existing business of the Group immediately following Completion. The Offeror will also explore other business opportunities for the Group and consider appropriate asset and/or business acquisitions by the Group in order to enhance the business growth of the Group. The Offeror will, after Completion, conduct a more detailed review of the operations of the Group with a view to formulating a long-term corporate strategy for the Group. As at the Latest Practicable Date, however, the Offeror did not have any specific plan or proposal with respect to any acquisition of assets and/or business by the Group. If the Group does decide to proceed with any such acquisition, further announcement(s) will be made as and when appropriate.

As at the Latest Practicable Date, the Offeror had no intention to introduce any major changes in the business of the Group or to redeploy the fixed assets of the Group following completion of the Offer, other than in the ordinary course of business of the Group.

Save for proposed changes in the members of the Board as mentioned below, the Offeror had, as at the Latest Practicable Date, no plan to terminate the employment of any employees of the Group or to introduce any significant changes to the management of the Company.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of 11 Directors, comprising one (1) executive Director, six (6) non-executive Directors and four (4) independent non-executive Directors.

Following Completion, a total of three (3) proposed Directors were nominated by the Offeror to the Board. In compliance with Rule 26.4 of the Takeovers Code, it is proposed that Mr. Julius GENACHOWSKI, Mr. Alex S. YING and Mr. Gregory Michael ZELUCK (together, the "Purchaser Nominee Directors") shall be appointed as non-executive Directors and that such appointment to take effect at 11:59 p.m. on the date of despatch of this Composite Document.

Mr. Julius GENACHOWSKI is a Managing Director in the U.S. Buyout team of Carlyle, focusing on acquisitions and growth investments in global technology, media and telecom, including Internet and mobile. He is based in Washington, D.C. Mr. GENACHOWSKI returned to the private sector after serving as Chairman of the U.S. Federal Communications Commission from 2009 to 2013.

Mr. Alex S. YING is a Managing Director of Carlyle advising on Asian buyout opportunities, with a particular focus on the Technology Media and Telecommunications sector. He joined the Carlyle Asia Partners team in 2001 and is based in Hong Kong.

Mr. Gregory Michael ZELUCK is a Managing Director of Carlyle and Co-Head of Carlyle Asia Partners advising on Asian buyout opportunities. He joined Carlyle in 1998 and is based in Hong Kong.

The Offeror and the Company have received the Executive's consent under Rule 7 of the Takeovers Code for the resignations of each of Mr. Sherwood P. DODGE, Mr. John F. CONNELLY and Ms. Nancy KU (the "**Seller Nominee Directors**") from their positions as Directors to take effect at the same time as the appointment of the Purchaser Nominee Directors, i.e. at 11:59 p.m. on the date of despatch of this Composite Document. Each of the Seller Nominee Directors have tendered their resignations as a Director and such resignation shall take effect at 11:59 p.m. on the date of despatch of this Composite Document.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement(s) will be made accordingly.

COMPULSORY ACQUISITION RIGHTS AND LISTING STATUS OF THE COMPANY

Rule 2.11 of the Takeovers Code and the Companies Act together provide that, except with the consent of the Executive, where the Offeror seeks to acquire or privatise the Company by means of the Offer and the use of compulsory acquisition rights, such rights may only be exercised if acceptances of the Offer and purchases (in each case of the disinterested Shares) made by the Offeror and persons acting in concert with it during the period of four months after posting of the Composite Document total 90% of the disinterested Shares (i.e., not less than 90,018,725 Offer Shares).

If the Offeror obtains the prescribed percentage of acceptances from holders of Shares approving the Offer as required by the Companies Act and is permitted to do so under Rule 2.11 of the Takeovers Code, the Offeror intends, subject to applicable regulatory approvals, to exercise its compulsory acquisition rights under the Companies Act.

According to Rule 15.6 of the Takeovers Code, since the Offeror intends, subject to applicable regulatory approvals, to exercise its compulsory acquisition rights under the Companies Act to compulsorily acquire those Shares not acquired by the Offeror under the Offer, the Offer may not remain open for acceptance for more than four months from the date of posting of the Composite Document, unless the Offeror has by that time become entitled to exercise such powers of compulsory acquisition available to it under the Companies Act, in which event the Offeror must do so without delay. The Offeror has discussed with the Executive that it will need regulatory approval (particularly from the DDTC under ITAR) and there would therefore be some delay before the compulsory acquisition powers are exercised by the Offeror.

If the level of acceptances of the Offer reaches the prescribed level under the Companies Act and Rule 2.11 of the Takeovers Code permits a compulsory acquisition, and if the Offeror proceeds with the exercise of such compulsory acquisition rights and the privatisation of the Company, the Company will apply for the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules and a suspension of dealings in the Shares from the close of the Offer up to the withdrawal of listing of Shares from the Stock Exchange.

In the event that the Offeror does not effect the compulsory acquisition of the remaining Offer Shares, whether by reason of not having acquired the prescribed percentage required or by reason of not obtaining applicable regulatory approvals to do so, the Purchaser and the Offeror intend to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

As at the close of the Offer, under the Listing Rules if less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that: (a) a false market exists or may exist in the trading of the Shares; or (b) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. The Stock Exchange may refrain from suspension if the Stock Exchange is satisfied that there remains an open market in the securities and certain other criteria are met. However, at any time when the percentage of securities in public hands is less than the required minimum, and the Stock Exchange has permitted trading in the securities to continue, the Stock Exchange will monitor closely all trading in the securities to ensure that a false market does not develop and may suspend the securities if there is any unusual price movement. In this connection, it should be noted that upon the close of the Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained. In such event: (a) the Offeror undertakes to the Stock Exchange that it shall take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Company; (b) the Purchaser Nominee Directors jointly and severally undertake to the Stock Exchange that they shall take appropriate steps following their appointment to the board of directors of the Company and the close of the Offer in their capacity as directors of the Company to ensure that sufficient public float exists in the Company; (c) the Company undertakes to the Stock Exchange that it shall take appropriate steps following the close of the Offer to ensure restoration of the minimum percentage of securities to public hands within a specified period which is acceptable to the Stock Exchange; and (d) Bowenvale undertakes to the Stock Exchange that it shall take appropriate steps following the close of the Offer to ensure restoration of the minimum percentage of securities to public hands as soon as practicable thereafter.

DIVIDEND FACILITY AND POSSIBLE PAYMENT OF SPECIAL INTERIM DIVIDEND

Under the Framework Agreement, the Purchaser and Able Star have agreed that following Completion, and if so requested by the Purchaser, each party will procure that the Company and/or the HK Subsidiary will enter into the Dividend Facility and will draw down funds available to it/them under the Dividend Facility and the Company will pay the Special Interim Dividend of such amount as requested but in any event not in excess of US$600,000,000) on a pro rata basis to the registered holders of the Shares as at a record date falling after close of the Offer and to be fixed by the Board for determining entitlements to the payment of the Special Interim Dividend. Based on the 391,195,500 Shares in issue as at the Latest Practicable Date, the maximum amount of the Dividend Facility of US$240,000,000 and the reserves of the Company, the proposed Special Interim Dividend is intended to be US$600,000,000 or HK$11.89 per Share (rounded to 2 decimal places). The proposed Special Interim Dividend is intended to be paid in cash out of the Company's retained reserves and will be partly funded by the proceeds to be received by the Company and/or HK Subsidiary arising from the drawdown of the Dividend Facility.

The Dividend Facility is a proposed loan facility from the Financing Banks to the Company and HK Subsidiary, the terms of which have been negotiated with the assistance of the SPA Parent, of up to an aggregate amount of US$240,000,000. On 23 December 2014, the Financing Banks issued to the SPA Parent a binding commitment letter in favour of the Company, which the SPA Parent countersigned on 6 January 2015. From the date of the SPA Parent countersigning the commitment letter, the Financing Banks are committed to provide the Dividend Facility to the Company and HK Subsidiary for a period of 9 months until 23 September 2015, which will be available for drawdown once either (a) the Company countersign(s) the commitment letter and the Dividend Facility Agreement is entered into by the parties thereto or (b) the Dividend Facility Agreement is directly entered into by the parties thereto without any further action from the SPA Parent. In return, the SPA Parent is obliged to (amongst other things): (a) assist the Financing Banks in completing a timely and orderly syndication of the facilities, (b) provide an indemnity to the Financing Banks (including their respective affiliates, directors, officers and employees) against any loss or liability in connection with any dispute arising out of the financing of the Dividend Facility (subject to certain exclusions and conditions) and (c) reimburse the Financing Banks for their reasonable costs and expenses (including legal fees) in connection with the Dividend Facility.

Upon the Company countersigning the commitment letter and/or the Dividend Facility Agreement is entered into, the SPA Parent will be immediately released from the obligations stated at (b) and (c) above (subject to re-imbursing part of the legal fees incurred), and can also enforce the Financing Bank's commitment to provide the Dividend Facility to the Company and/or the HK Subsidiary. As at the Latest Practicable Date, the Company has not countersigned the commitment letter and the Dividend Facility Agreement has not been entered into.

Whilst the Company has not yet approved the entry into the Dividend Facility, the Purchaser has sought to engage the Management in the review of the basic term sheet which sets out the key terms of the Dividend Facility and the Management has provided preliminary feedback on such terms. Furthermore, the key terms of the Dividend Facility have also been presented to the Board.

After the close of the Offer, and subject to and upon the Board's approval of the entry into and drawdown of the Dividend Facility and the payment of the Special Interim Dividend, the Dividend Facility will be drawn down and the Special Interim Dividend will be paid on a pro rata basis to all Shareholders of the Company, including Bowenvale and all other public Shareholders, as at a date after close of the Offer (which is to be fixed by the Board for determining entitlements to the payment of the Special Interim Dividend). Bowenvale will subsequently use the pro rata proceeds of the Special Interim Dividend it receives to pay an interim dividend to the Purchaser and Able Star. It is the Purchaser's intention to use the portion of any interim dividends to be received by it from Bowenvale to repay the SPA Debt Facilities and it is the Offeror's intention to use the portion of any Special Interim Dividends to be received by it from the Company to repay the MGO Debt Facility.

It should be noted that the entry into the Dividend Facility Agreement, drawdown of the Dividend Facility, and payment of the Special Interim Dividend on a pro rata basis to all Shareholders of the Company is subject to the approval of the Board which will not be sought until after the close of the Offer. For the avoidance of doubt, any Offer Shareholder who accepts the Offer, if made, will not be entitled to participate in any dividends (including any Special Interim Dividend) which may be declared and paid following the close of the Offer.

Further announcement(s) will be made to update the Shareholders on the Special Interim Dividend as and when appropriate.

EXISTING SHARE AWARD SCHEME

As disclosed in the announcement of the Company dated 22 August 2007 and the Joint Announcement, the Company adopted the ESAS on 22 August 2007. The trustee of the ESAS is the ESAS Trustee, an independent trustee company. As at the Latest Practicable Date, the ESAS Trustee (in its capacity as the trustee of ESAS) held 487,560 Shares (representing approximately 0.12% of the issued share capital of the Company (rounded to 2 decimal places)), all of which form part of the Offer Shares. In the event the Offeror proceeds with the privatisation of the Company as described in the section headed "COMPULSORY ACQUISITION RIGHTS AND LISTING STATUS OF THE COMPANY" above, the Company will duly effect appropriate arrangements in respect of all outstanding awards under the ESAS in accordance with the rules relating to the ESAS and issue further announcement(s) for updating the Shareholders as and when appropriate.

PROCEDURES FOR ACCEPTANCE OF THE OFFER

Your attention is drawn to paragraph 1 headed "*General procedures for acceptance of the Offer*" in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

Settlement of the Offer

Provided that the accompanying Form(s) of Acceptance and Transfer for the Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/ or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Offer Shareholder in respect of the Shares tendered under the Offer (less seller's *ad valorem* stamp duty payable by him/her/it) will be despatched to the accepting Offer Shareholder by ordinary post at its own risk as soon as possible but in any event within seven Business Days from the date of receipt of all relevant documents (receipt of which renders such acceptance complete and valid) by the Registrar in accordance with the Takeovers Code. The consideration to which any accepting Offer Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect to the payment of seller's *ad valorem* stamp duty) set out in this Composite Document (including Appendix I to this Composite Document) and the accompanying Form(s) of Acceptance and Transfer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Offer Shareholder.

No fractions of a cent will be payable and the amount of consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

Stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with the acceptance of the Offer, payable at the rate of HK$1.00 for every HK$1,000.00 or part thereof of the amount payable in respect of relevant acceptances by the Offer Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the cash amount payable to the Offer Shareholders who accept the Offer. The Offeror will bear the buyer's Hong Kong ad valorem stamp duty as purchaser of the Offer Shares and will arrange for the payment of both buyer and seller's stamp duty in connection with such sales and purchases under the Offer.

Overseas Offer Shareholders

The Offer will be available to all Offer Shareholders, including the Overseas Offer Shareholders. The making and implementation of the Offer to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. Such Overseas Offer Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

It is the sole responsibility of the Overseas Offer Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or filing and registration and the payment of any transfer or other taxes due by such accepting Overseas Offer Shareholders in respect of such jurisdictions).

Acceptance of the Offer by any Overseas Offer Shareholder will be deemed to constitute a representation and warranty by such person that (i) such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, (ii) such person has fully observed all applicable laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required, the filing and registration and payment of any transfer or other taxes due by such person and the compliance with other necessary formalities in such relevant jurisdictions), and (iii)_such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Such Overseas Offer Shareholder shall be fully responsible for the payment of any transfer or other taxes and duties due by such Overseas Offer Shareholder in respect of the relevant jurisdictions. Any such person is advised to seek professional advice in deciding whether or not to accept the Offer.

The Offer is being made for the securities of a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange in Hong Kong and is subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong, which are different from those of the United States. In addition, U.S. holders of the Offer Shares should be aware that this Composite Document has been prepared in accordance with Hong Kong format and style, which differ from those of the United States. The Offer is being extended into the United States pursuant to the applicable U.S. tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Offer will comply with the relevant Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which may be different from those applicable under U.S. domestic tender offer procedures and laws.

This Composite Document has not been submitted to, or reviewed by, the U.S. Securities Exchange Commission or any U.S. state securities commission and neither the SEC nor any such U.S. state securities commission has approved or disapproved of, or passed upon the fairness and merits of the Offer described in, or upon the accuracy and adequacy of the information disclosed in, this Composite Document.

The receipt of cash pursuant to the Offer by a U.S. holder of Offer Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each U.S. holder of Offer Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of accepting the Offer.

The financial information of the Group included in this Composite Document has been extracted from the audited financial statements for the three years ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Such financial information may not be wholly comparable to financial information of U.S. companies or companies whose financial statements are solely prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for U.S. holders of Offer Shares to enforce their rights and claims arising out of U.S. securities laws, since the Company is incorporated in a country other than the United States, and some or all of its officers and directors may be residents of non-U.S. jurisdictions. In addition, most of the assets of the Group are located outside the United States. U.S. holders of Offer Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws Further, it may be difficult for U.S. holders of Offer Shares to effect service of process within the United States upon the Company or its officers or directors, to enforce a U.S. court's judgment or to compel them or their affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Offer Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law and is made outside the United States, and (ii) the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and will be available on the website of the SFC at http://www.sfc.hk/.

Tax implications

Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Offeror or parties acting in concert with it, the Company or their respective ultimate beneficial owners, Goldman Sachs, BofAML, Anglo Chinese, PwC, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer is in a position to advise the Offer Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

GENERAL

To ensure equality of treatment of all Offer Shareholders, those Offer Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in nominee names, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances will be sent to the Offer Shareholders by ordinary post at their own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or in case of joint holders, to the Offer Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Form(s) of Acceptance and Transfer completed, returned and received by the Registrar. None of the Offeror or parties acting in concert with it, the Company or their respective ultimate beneficial owners, Goldman Sachs, BofAML, Anglo Chinese, PwC, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer will be responsible for any loss or delay in the transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to this Composite Document and the accompanying Form(s) of Acceptance and Transfer, which form part of this Composite Document. In addition, your attention is also drawn to the "Letter from the Board", the "Letter from the Independent Board Committee" and the letter of advice by the Independent Financial Adviser to the Independent Board Committee in respect of the Offer as set out in the "Letter from Anglo Chinese Corporate Finance, Limited" contained in this Composite Document.

Yours faithfully,
For and on behalf of
Goldman Sachs (Asia) L.L.C.
Raghav Maliah
Managing Director

Yours faithfully,
For and on behalf of
Merrill Lynch (Asia Pacific) Limited
Thomas Barsha
Director

ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED
亞洲衛星控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 1135)

Chairman:
Mr. Sherwood P. DODGE

Executive Director:
Mr. William WADE

Non-executive Directors:
Mr. JU Wei Min, Deputy Chairman
Mr. LUO Ning
Mr. Peter JACKSON
Mr. John F. CONNELLY
Ms. Nancy KU

Independent Non-executive Directors:
Mr. James WATKINS
Mr. Stephen LEE Hoi Yin
Mr. Kenneth McKELVIE
Ms. Maura WONG Hung Hung

Alternate Director
Mr. CHONG Chi Yeung (alternate to Mr. LUO Ning)

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal Office in Hong Kong:
12th Floor, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

19 May 2015

To the Offer Shareholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY GOLDMAN SACHS (ASIA) L.L.C. AND MERRILL LYNCH (ASIA PACIFIC) LIMITED ON BEHALF OF GANYMEDE INVESTMENT HOLDINGS, L.L.C. TO ACQUIRE ALL THE ISSUED SHARES OF ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY GANYMEDE INVESTMENT HOLDINGS, L.L.C. AND PARTIES ACTING IN CONCERT WITH IT)

* *For identification purpose only*

INTRODUCTION

Reference is made to the Joint Announcement dated 23 December 2014.

On 23 December 2014 (after trading hours), the Sellers and the Purchaser entered into the Share Purchase Agreement, pursuant to which the Sellers conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Shares, being 144,131,474 Bowenvale Shares in aggregate (representing a 49.50% economic interest and 50.00% voting interest in Bowenvale as at the Latest Practicable Date), for a total cash consideration of (a) HK$3,576,836,924 (equivalent to HK$24.82 per Sale Share (rounded to 2 decimal places)) or approximately US$461,307,108 (equivalent to US$3.20 per Sale Share (rounded to 2 decimal places)), or (b) HK$3,747,418,324 (equivalent to HK$26.00 per Sale Share) or approximately US$483,307,108 (equivalent to US$3.35 per Sale Share (rounded to 2 decimal places)) if either a Market Disruption Event did not occur or a Filing Delay occurred.

As stated in the Joint Announcement, the Purchaser, Able Star and Bowenvale entered into the New Shareholders' Agreement on 23 December 2014 which is on substantially the same terms as the Current Shareholders' Agreement. The New Shareholders' Agreement came into effect immediately following Completion on 12 May 2015 and the Current Shareholders' Agreement was terminated on the same day. Able Star and the Purchaser also entered into the Framework Agreement on 23 December 2014 which sets out each parties' respective rights and obligations with respect to the Transaction, the Offer and post-Offer refinancing and recapitalisation.

On 12 May 2015, the Offeror and the Company jointly announced that Completion had taken place on 12 May 2015 and that there was no Market Disruption Event and no Filing Delay, resulting in a total cash consideration of HK$3,747,418,324.00 (equivalent to HK$26.00 per Sale Share). The total cash consideration was paid by the Purchaser to the Sellers in US$, at an agreed exchange rate of US$1:HK$7.7537. The Sale Shares comprised 11,023,499, 6,655,399, 6,655,399 and 119,797,177 Bowenvale Shares that were sold by Seller A, Seller B, Seller C and Seller D, respectively.

As the only substantial asset of Bowenvale is its holding of 291,174,695 Shares, this consideration represents an effective price per Share of HK$26.00 or US$3.35 (rounded to 2 decimal places).

The Executive took the view that the acquisition by the Purchaser of the Sale Shares pursuant to the Share Purchase Agreement would, on Completion, result in the formation of a new concert group between the Purchaser, Able Star and Bowenvale that has statutory control over the Company, thereby triggering a mandatory unconditional general offer obligation under the Takeovers Code in respect of the Company. Immediately after Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 291,174,695 Shares held by Bowenvale, representing approximately 74.43% of the issued share capital of the Company. Hence, Goldman Sachs and BofAML, on behalf of the Offeror, are making a mandatory unconditional general cash offer in accordance with Rule 26.1 of the Takeovers Code for all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Offer Shareholders as to what action they should take in respect of the Offer. The non-executive Directors, namely Mr. Sherwood P. DODGE, Mr. JU Wei Min, Mr. LUO Ning, Mr. Peter JACKSON, Mr. John F. CONNELLY and Ms. Nancy KU, are not considered as independent for the purpose of giving advice or making a recommendation to the Offer Shareholders as they are nominee directors from Bowenvale, they are seen to be interested in the Offer and cannot form part of the Independent Board Committee. Anglo Chinese has been appointed as the independent financial adviser to advise the Independent Board Committee and the Offer Shareholders in respect of the Offer and to confirm whether the terms of the Offer are fair and reasonable. The full text of the letter from Anglo Chinese to the Independent Board Committee and the Offer Shareholders is set out in this Composite Document.

The purpose of this Composite Document is to provide you with, among other things, further information to the Group, the Offeror and the Offer. Your attention is also drawn to the "Letter from the Independent Board Committee" to the Offer Shareholders and the "Letter from Anglo Chinese Corporate Finance, Limited" to the Independent Board Committee and the Offer Shareholders as contained in this Composite Document.

THE OFFER

Principal terms of the Offer

According to the "Letter from Goldman Sachs and BofAML" contained in this Composite Document, Goldman Sachs and BofAML are making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code, to acquire the Offer Shares on the following basis:

For each Offer Share accepted under the Offer . . . . **HK$26.00 in cash**

The offer price of HK$26.00 per Offer Share is equal to the price per Sale Share and the effective price per Share paid by the Purchaser to the Sellers under the Share Purchase Agreement. The Offer extends to all Offer Shares in issue on the date on which the Offer is made, other than those already owned by the Offeror and parties acting in concert with it.

The procedures for acceptance and further details of the Offer are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer.

FURTHER INFORMATION OF THE OFFER

Please also refer to the "Letter from Goldman Sachs and BofAML" contained in this Composite Document for further information in relation to the Offer, the making of the Offer to the Overseas Offer Shareholders, taxation and acceptance and settlement procedures of the Offer.

THE NEW SHAREHOLDERS' AGREEEMENT

As stated in the Joint Announcement, the Purchaser, Able Star and Bowenvale entered into the New Shareholders' Agreement on 23 December 2014 which is on substantially the same terms as the Current Shareholders' Agreement. The New Shareholders' Agreement came into effect immediately following Completion on 12 May 2015 and the Current Shareholders' Agreement was terminated on the same day.

Following Completion on 12 May 2015, the board of Bowenvale shall comprise three (3) directors nominated by Able Star and three (3) directors nominated by the Purchaser. The right to nominate the deputy chairman and the chairman of Bowenvale will rotate on a two (2) yearly basis between Able Star and the Purchaser. The quorum for the meetings of the board of Bowenvale (other than adjourned meetings) shall be two (2) directors, one (1) appointed by Able Star and one (1) appointed by the Purchaser. Decisions of the board of Bowenvale shall be by unanimous vote of the directors present. Neither the chairman nor the deputy chairman will have an additional vote at the board meetings.

The New Shareholders' Agreement provides that the Board (unless otherwise agreed by Able Star and the Purchaser) shall comprise three (3) Directors nominated by Able Star, three (3) Directors nominated by the Purchaser and (for so long as the Company remains listed on the Stock Exchange) one (1) Executive director being the Chief Executive Officer of the Company and four (4) independent non-executive Directors. Please see the section headed "PROPOSED CHANGE OF BOARD COMPOSITION" in the "Letter from Goldman Sachs and BofAML" as set out in this Composite Document on the actual composition of the current Board and the proposed changes to the Board as of the date of this Composite Document. Bowenvale shall make representations to the Board from time to time requesting that the Board shall appoint Bowenvale's chairman as chairman of the Board and Bowenvale's deputy chairman as deputy chairman of the Board.

Subject to certain exceptions: (a) pursuant to the New Shareholders' Agreement, Bowenvale must notify Able Star and the Purchaser when the voting rights attaching to the Shares are to be or may be exercised and Able Star and the Purchaser shall communicate to Bowenvale their respective wishes with respect to how they want such voting rights exercised, (b) where the wishes expressed by Able Star and the Purchaser in respect of a particular resolution are the same, Bowenvale must exercise the voting rights attaching to the Shares owned by Bowenvale in accordance with the common wish of Able Star and the Purchaser, and (c) where the wishes expressed by Able Star and the Purchaser in respect of a particular resolution are not the same (or Able Star or the Purchaser fails to communicate its wishes to Bowenvale), Bowenvale must vote against such resolution.

Pursuant to the New Shareholders' Agreement, neither Able Star nor the Purchaser are able to dispose of their Bowenvale Shares, nor are they able to require Bowenvale to dispose of their attributable Shares, without the prior written consent of the other.

With respect to the payment of dividends, as soon as practicable after the payment to Bowenvale of any dividends on or with respect to the Shares owned by Bowenvale, Bowenvale shall distribute such dividends to Able Star and the Purchaser (subject to deductions, withholdings, retentions and/or postponements in certain circumstances).

THE FRAMEWORK AGREEMENT

As stated in the Joint Announcement, Able Star and the Purchaser also entered into the Framework Agreement on 23 December 2014 which sets out each parties' respective rights and obligations with respect to the Transaction, the Offer and post-Offer refinancing and recapitalisation.

Dividend Facility

Under the Framework Agreement, Able Star and the Purchaser agree that following Completion (which took place on 12 May 2015), as soon as reasonably practicable following receipt by Able Star of a request from the Purchaser, Able Star and the Purchaser shall procure that (a) the Borrower(s) enter into the Dividend Facility as borrower(s), (b) the Borrower(s) use(s) best endeavours to satisfy the conditions of the Dividend Facility and thereafter (but not until after the closing of the offer period of the Offer) draw down the Dividend Facility Amount, and (c) the Borrower(s) comply(ies) with their respective obligations in the Dividend Facility (including by providing security over their respective assets or the assets of their respective subsidiaries if so required by the terms of the Dividend Facility).

Dividends

Under the Framework Agreement, Able Star and the Purchaser agree that following the Borrower(s)' drawdown of any of the Dividend Facility Amount, Able Star and the Purchaser shall procure that the Company eventually distributes by way of interim dividend US$600,000,000 in aggregate (or, if less, the greatest amount which the Company is entitled to distribute pursuant to applicable laws) as soon as reasonably practicable following the close of the offer period of the Offer but in any event within the twelve (12) month period following Completion.

INFORMATION ON THE GROUP

The Company is incorporated in Bermuda with limited liability, and the Shares have been listed on the Main Board of the Stock Exchange since 1996 (trading under the stock code of 1135). The Group is principally engaged in the provision of satellite transponder capacity and satellite services to broadcasting and telecommunications markets.

A summary of the audited consolidated results of the Group for each of the two years ended 31 December 2014 and 2013 is set out below:

	For the year ended 31 December	
	2014	**2013**
	(HK$'000)	*(HK$'000)*
Turnover	1,364,958	1,498,631
Profit before income tax	723,220	897,747
Profit attributable to shareholders	559,139	747,640

As at 31 December 2014, the audited consolidated net assets of the Group were approximately HK$7,107 million.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER COMPLETION

As at the Latest Practicable Date, there are 391,195,500 Shares in issue and the Company does not have any outstanding options, warrants, derivatives or other securities which may confer to the holder(s) thereof any right to subscribe for, convert into or exchange into Shares. As at the Latest Practicable Date, the Company has not entered into any agreement for the issue of any Shares or options, warrants, derivatives or other securities which may confer to the holder(s) thereof any right to subscribe for, convert into or exchange into Shares.

Set out below are the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date.

	Immediately before Completion		**Immediately after Completion and as at the Latest Practicable Date**	
	Number of Shares	*%*	*Number of Shares*	*%*
Bowenvale *(Note 1)*	291,174,695	74.43	291,174,695	74.43
Offer Shareholders	100,020,805	25.57	100,020,805	25.57
Total	**391,195,500**	**100.00**	**391,195,500**	**100.00**

Note 1:

Immediately before Completion, Able Star held a 50.00% voting interest and a 50.50% economic interest in Bowenvale (representing approximately 37.59% indirect economic interest in the Company), and the Sellers together held a 50.00% voting interest and a 49.50% economic interest in Bowenvale in aggregate (representing approximately 36.84% indirect economic interest in the Company).

Following Completion and as at the Latest Practicable Date, Bowenvale is jointly and directly owned by Able Star and the Purchaser, where Able Star continues to hold a 50.00% voting interest and a 50.50% economic interest in Bowenvale (representing approximately 37.59% indirect economic interest in the Company), and the Purchaser held a 50.00% voting interest and a 49.50% economic interest in Bowenvale (representing approximately 36.84% indirect economic interest in the Company).

INFORMATION ON THE OFFEOR

Your attention is drawn to the section headed "Information on the Offeror" in the "Letter from Goldman Sachs and BofAML" as set out in this Composite Document.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Your attention is drawn to the section headed "Intentions of the Offeror regarding the Group" in the "Letter from Goldman Sachs and BofAML" as set out in this Composite Document. The Board is pleased to note the Offeror's intention to continue the existing businesses of the Group and is willing to render reasonable co-operation to the Offeror for the implementation of its intentions regarding the Group. For the proposed change to the composition of the Board, please refer to the section headed "Proposed change of Board composition" in the "Letter from Goldman Sachs and BofAML" as set out in this Composite Document.

COMPULSORY ACQUISITION RIGHTS AND LISTING STATUS OF THE COMPANY

Rule 2.11 of the Takeovers Code and the Companies Act together provide that, except with the consent of the Executive, where the Offeror seeks to acquire or privatise the Company by means of the Offer and the use of compulsory acquisition rights, such rights may only be exercised if acceptances of the Offer and purchases (in each case of the disinterested Shares) made by the Offeror and persons acting in concert with it during the period of four months after posting of the Composite Document total 90% of the disinterested Shares (i.e., not less than 90,018,725 Offer Shares).

According to the "Letter from Goldman Sachs and BofAML" contained in this Composite Document, if the Offeror obtains the prescribed percentage of acceptances from holders of Shares approving the Offer as required by the Companies Act and is permitted to do so under Rule 2.11 of the Takeovers Code, the Offeror intends, subject to applicable regulatory approvals, to exercise its compulsory acquisition rights under the Companies Act.

According to Rule 15.6 of the Takeovers Code, since the Offeror intends, subject to applicable regulatory approvals, to exercise its compulsory acquisition rights under the Companies Act to compulsorily acquire those Shares not acquired by the Offeror under the Offer, the Offer may not remain open for acceptance for more than four months from the date of posting of the Composite Document, unless the Offeror has by that time become entitled to exercise such powers of compulsory acquisition available to it under the Companies Act, in which event the Offeror must do so without delay. According to the "Letter from Goldman Sachs and BofAML" contained in this Composite Document, the Offeror has discussed with the Executive that it will need regulatory approval (particularly from the DDTC under ITAR) and there would therefore be some delay before the compulsory acquisition powers are exercised by the Offeror.

If the level of acceptances of the Offer reaches the prescribed level under the Companies Act and Rule 2.11 of the Takeovers Code permits a compulsory acquisition, and if the Offeror proceeds with the exercise of such compulsory acquisition rights and the privatisation of the Company, the Company will apply for the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules and a suspension of dealings in the Shares from the close of the Offer up to the withdrawal of listing of Shares from the Stock Exchange.

According to the "Letter from Goldman Sachs and BofAML" contained in this Composite Document, in the event that the Offeror does not effect the compulsory acquisition of the remaining Offer Shares, whether by reason of not having acquired the prescribed percentage required or by reason of not obtaining applicable regulatory approvals to do so, the Purchaser and the Offeror intend to maintain the listing of the Shares on the Stock Exchange following the close of the Offer.

As at the close of the Offer, under the Listing Rules if less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that: (a) a false market exists or may exist in the trading of the Shares; or (b) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. The Stock Exchange may refrain from suspension if the Stock Exchange is satisfied that there remains an open market in the securities and certain other criteria are met. However, at any time when the percentage of securities in public hands is less than the required minimum, and the Stock Exchange has permitted trading in the securities to continue, the Stock Exchange will monitor closely all trading in the securities to ensure that a false market does not develop and may suspend the securities if there is any unusual price movement. In this connection, it should be noted that upon the close of the Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained. In such event: (a) the Offeror undertakes to the Stock Exchange that it shall take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the Company; (b) the Purchaser Nominee Directors jointly and severally undertake to the Stock Exchange that they shall take appropriate steps following their appointment to the board of directors of the Company and the close of the Offer in their capacity as directors of the Company to ensure that sufficient public float exists in the Company; (c) the Company undertakes to the Stock Exchange that it shall take appropriate steps following the close of the Offer to ensure restoration of the minimum percentage of securities to public hands within a specified period which is acceptable to the Stock Exchange; and (d) Bowenvale undertakes to the Stock Exchange that it shall take appropriate steps following the close of the Offer to ensure restoration of the minimum percentage of securities to public hands as soon as practicable thereafter.

DIVIDEND FACILITY AND POSSIBLE PAYMENT OF SPECIAL INTERIM DIVIDEND

Pursuant to the Framework Agreement, the Purchaser and Able Star have agreed that following Completion, and if so requested by the Purchaser, each party will procure that the Company and/or the HK Subsidiary will enter into the Dividend Facility and will draw down funds available to it/them under the Dividend Facility and the Company will pay the Special Interim Dividend of such amount as requested, but in any event not in excess of US$600,000,000, on a pro rata basis to the registered holders of the Shares as at a record date falling after close of the Offer and to be fixed by the Board for determining entitlements to the payment of the Special Interim Dividend. Based on the 391,195,500 Shares in issue as at the Latest Practicable Date, the maximum amount of the Dividend Facility of US$240,000,000 and the reserves of the Company, the proposed Special Interim Dividend is intended to be US$600,000,000 or HK$11.89 per Share (rounded to 2 decimal places). The proposed Special Interim Dividend is intended to be paid in cash out of the Company's retained reserves and will be partly funded by the proceeds to be received by the Company and/or HK Subsidiary arising from the drawdown of the Dividend Facility.

Further details of the arrangement under Dividend Facility Letter are set out in the section headed "Dividend Facility and Possible Payment of Special Interim Dividend" in the "Letter from Goldman Sachs and BofAML" as set out in this Composite Document.

It should be noted that the entry into the Dividend Facility Agreement, drawdown of the Dividend Facility, and payment of the Special Interim Dividend on a pro rata basis to all Shareholders of the Company is subject to the approval of the Board which will not be sought until after the close of the Offer. For the avoidance of doubt, any Offer Shareholder who accepts the Offer, if made, will not be entitled to participate in any dividends (including any Special Interim Dividend) which may be declared and paid following the close of the Offer.

Further announcement(s) will be made to update the Shareholders on the Special Interim Dividend as and when appropriate.

EXISTING SHARE AWARD SCHEME

As disclosed in the announcement of the Company dated 22 August 2007 and the Joint Announcement, the Company adopted the ESAS on 22 August 2007. The trustee of the ESAS is the ESAS Trustee, an independent trustee company. As at the Latest Practicable Date, the ESAS Trustee (in its capacity as the trustee of ESAS) held 487,560 Shares (representing 0.12% of the issued share capital of the Company (rounded to 2 decimal places)), all of which form part of the Offer Shares. In the event the Offeror proceeds with the privatisation of the Company as described in the section headed "COMPULSORY ACQUISITION RIGHTS AND LISTING STATUS OF THE COMPANY" above, the Company will duly effect appropriate arrangements in respect of all outstanding awards under the ESAS in accordance with the rules relating to the ESAS and issue further announcement(s) for updating the Shareholders as and when appropriate.

RECOMMENDATION

The Independent Board Committee is established to make recommendation to the Offer Shareholders as to whether the Offer is fair and reasonable and as to acceptance.

Your attention is drawn to "Letter from the Independent Board Committee" set out on pages 39 to 40 of this Composite Document and the "Letter from Anglo Chinese Corporate Finance, Limited" set out on pages 41 to 77 of this Composite Document, which contains, among other things, its advice to the Independent Board Committee and the Offer Shareholders in relation to the Offer and the principal factors considered by it in arriving at its recommendation.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form(s) of Acceptance and Transfer for further details in respect of the procedures for acceptance of the Offer.

By order of the board of directors of
Asia Satellite Telecommunications Holdings Limited
Sherwood P. DODGE
Chairman

ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED
亞洲衛星控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 1135)

19 May 2015

To the Offer Shareholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY GOLDMAN SACHS (ASIA) L.L.C. AND MERRILL LYNCH (ASIA PACIFIC) LIMITED ON BEHALF OF GANYMEDE INVESTMENT HOLDINGS, L.L.C. TO ACQUIRE ALL THE ISSUED SHARES OF ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY GANYMEDE INVESTMENT HOLDINGS, L.L.C. AND PARTIES ACTING IN CONCERT WITH IT)

We refer to the Composite Document of even date jointly issued by the Company and the Offeror in relation to the Offer, of which this letter forms part. Terms defined in this Composite Document shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to give a recommendation to the Offer Shareholders in respect of the Offer. Anglo Chinese has been appointed with our approval as our independent financial adviser in respect of, among other things, the Offer. Details of the advice from Anglo Chinese which sets out the principal factors and reasons taken into account in arriving at its recommendations are set out in the letter from Anglo Chinese on pages 41 to 77 of this Composite Document.

Having considered the terms of the Offer and having taken into account the advice from Anglo Chinese, in particular the principal factors and reason and the recommendation as set out in the letter from Anglo Chinese, we are of the opinion that the terms of the Offer are not fair and reasonable so far as the Offer Shareholders are concerned. We therefore recommend the Offer Shareholders not to accept the Offer. We also recommend the Offer Shareholders to read the letter from Anglo Chinese set out in this Composite Document carefully regarding the principal factors and reasons, and recommendations set out therein.

* *For identification purpose only*

Yours faithfully,
For and on behalf of the Independent Board Committee of
Asia Satellite Telecommunications Holdings Limited

Mr. James WATKINS	**Mr. Stephen LEE Hoi Yin**	**Mr. Kenneth McKELVIE**	**Ms. Maura WONG Hung Hung**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of the letter of advice from Anglo Chinese Corporate Finance, Limited, the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders for the purpose of incorporation into this document.

ANGLO CHINESE
CORPORATE FINANCE, LIMITED
www.anglochinesegroup.com

40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong

19 May, 2015

To the Independent Board Committee and the Offer Shareholders

Dear Sirs,

Mandatory Unconditional General Cash Offer
on behalf of
Ganymede Investment Holdings, L.L.C.
to acquire all the issued shares of
Asia Satellite Telecommunications Holdings Limited
(other than those already owned or agreed to be acquired by
Ganymede Investment Holdings, L.L.C.
and parties acting in concert with it)

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Offer Shareholders in connection with the Offer. Under the Offer, Offer Shareholders will have the opportunity of receiving HK$26.00 per Offer Share as set out in the joint announcement dated 12 May, 2015 issued jointly by the Company and the Offeror, and in the Composite Document.

The terms defined in the Composite Document, of which this letter forms part, shall have the same meanings in this letter, unless the context otherwise requires.

The Independent Board Committee comprises Mr. James Watkins, Mr. Stephen Lee Hoi Yin, Mr. Kenneth McKelvie and Ms. Maura Wong Hung Hung, being all the independent non-executive Directors. All the other Directors are not considered independent for the purpose of giving recommendations to the Offer Shareholders; Mr. William Wade by reason of his executive directorship and all the non-executive Directors, namely Mr. Sherwood P. Dodge, Mr. Ju Wei Min, Mr. Luo Ning, Mr. Peter Jackson, Mr. John F. Connelly and Ms. Nancy Ku, being nominee Directors of Bowenvale which owns approximately 74.43% of the issued share capital of the Company, and are seen to be interested in the Offer.

BACKGROUND

The Share Purchase Agreement

On 23 December, 2014, the Company and the Offeror issued the Joint Announcement in relation to a possible mandatory unconditional general cash offer for the Company. As stated in the Joint Announcement, the Sellers and the Purchaser entered into the Share Purchase Agreement pursuant to which following Completion the Purchaser owns the Sale Shares, being 144,131,474 Bowenvale Shares in aggregate (representing a 49.50% economic interest and 50.00% voting interest in Bowenvale). The total cash consideration of the Transaction was HK$3,747,418,324, equivalent to HK$26.00 per Sale Share (rounded to two decimal places) or approximately US$483,307,108, equivalent to US$3.35 per Sale Share (rounded to two decimal places.).

The total cash consideration payable by the Purchaser to the Sellers was in US$, at an agreed exchange rate of US$1: HK$7.7537.

As the only substantial asset of Bowenvale is its holding of 291,174,695 Shares (representing approximately 74.43% of the issued share capital of the Company as at the Last Trading Day), the consideration of the Transaction represented an effective price per Share of HK$26.00 or US$3.35. (*Note: All figures are rounded to two decimal places*).

On 12 May, 2015, the Company and the Offeror announced that all the conditions of the Share Purchase Agreement had been satisfied and Completion took place on 12 May, 2015. Accordingly on 12 May, 2015, the Offeror announced that it was making the Offer in accordance with Rule 26.1 of the Takeovers Code. It was stated in the Company's announcement dated 12 May, 2015 that as neither a Market Disruption Event nor a Filing Delay occurred, the offer price would be HK$26.00 per Offer Share (the "**Offer Price**").

Information on the Offeror, Purchaser and the Sellers

The Offeror is an investment holding company incorporated in the State of Delaware on 29 October, 2014 with limited liability. The Offeror is indirectly wholly owned by Jupiter Group Holdings Limited, which in turn is majority owned by Carlyle Asia Partners IV. Carlyle Asia Partners IV is an exempt limited partnership established under the laws of Cayman Islands, and is a private investment fund managed by Carlyle and is ultimately controlled by The Carlyle Group L.P.

The Purchaser is an investment holding company and is indirectly wholly owned by Jupiter Group Holdings Limited, the majority of which is in turn owned directly by Carlyle Asia Partners IV.

Each of the Sellers is an indirectly wholly owned subsidiary of GEC, a company listed in the United States of America.

Shareholding structure of the Company immediately before and following Completion

As at the date of the Joint Announcement and before Completion, Able Star (which was controlled by CITIC Group) held a 50.00% voting interest and a 50.50% economic interest in Bowenvale, and the Sellers together held a 50.00% voting interest and a 49.50% economic interest in Bowenvale. Bowenvale held in turn 291,174,695 Shares, representing 74.43% of the issued share capital of the Company and the Offer Shareholders owned the remaining 25.57%.

Immediately after Completion and before the Offer, the Purchaser held a 50.00% voting interest and a 49.50% economic interest in Bowenvale and Able Star continued to hold a 50.00% voting interest and a 50.50% economic interest in Bowenvale which held 74.43% of the issued share capital of the Company. Immediately after Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 291,174,695 Shares held by Bowenvale.

The Shareholders' Agreement

As stated in the Joint Announcement, the Purchaser, Able Star and Bowenvale entered into the New Shareholders' Agreement on 23 December, 2014 which is on substantially the same terms as the Current Shareholders' Agreement between GEC, the CITIC Group, the Sellers, Able Star and Bowenvale. The New Shareholders' Agreement had come into effect immediately following Completion and the Current Shareholders' agreement was terminated on the same day.

Following Completion on 12 May 2015, the board of Bowenvale now comprises three directors nominated by Able Star and three directors nominated by the Purchaser. The right to nominate the deputy chairman and the chairman of Bowenvale will rotate on a two yearly basis between Able Star and the Purchaser. The quorum for the meetings of the board of Bowenvale (other than adjourned meetings) shall be two directors, one appointed by Able Star and one appointed by the Purchaser. Decisions of the board of Bowenvale shall be by unanimous vote of the directors present. Neither the chairman nor the deputy chairman will have an additional vote at the board meetings.

The New Shareholders' Agreement provides that the Board (unless otherwise agreed by Able Star and the Purchaser) shall comprise three Directors nominated by Able Star, three Directors nominated by the Purchaser and (for so long as the Company remains listed on the Stock Exchange) one Executive director being the chief executive officer of the Company and four independent non-executive Directors. Bowenvale shall make representations to the Board from time to time requesting that the Board shall appoint Bowenvale's chairman as chairman of the Board and Bowenvale's deputy chairman as deputy chairman of the Board.

Subject to certain exceptions: (a) pursuant to the New Shareholders' Agreement, Bowenvale must notify Able Star and the Purchaser when the voting rights attaching to the Shares are to be or may be exercised and Able Star and the Purchaser shall communicate to Bowenvale their respective wishes with respect to how they wish such voting rights be exercised, (b) where the wishes expressed by Able Star and the Purchaser in respect of a particular resolution are the same, Bowenvale must exercise the voting rights attaching to the Shares owned by Bowenvale in accordance with the common wish of Able Star and the Purchaser, and (c) where the wishes expressed by Able Star and the Purchaser in respect of a particular resolution are not the same (or Able Star or the Purchaser fails to communicate its wishes to Bowenvale), Bowenvale must vote against such resolution.

Pursuant to the New Shareholders' Agreement, neither Able Star nor the Purchaser are able to dispose of their Bowenvale Shares, nor are they able to require Bowenvale to dispose of their attributable Shares, without the prior written consent of the other.

With respect to the payment of dividends, as soon as practicable after the payment to Bowenvale of any dividends on or with respect to the Shares owned by Bowenvale, Bowenvale shall distribute such dividends to Able Star and the Purchaser (subject to deductions, withholdings, retentions and, or postponements in certain circumstances).

The Framework Agreement, Dividend Facility and Possible Payment of the Special Interim Dividend

On 23 December, 2014, Able Star and the Purchaser entered into the Framework Agreement to govern the parties' respective rights and obligations with respect to the Transaction, the Offer and the post-Offer refinancing and recapitalisation. Under the Framework Agreement, Able Star and the Purchaser agreed that following Completion, Able Star and the Purchaser will, following request from the Purchaser, procure that:

(a) the Company, HK Subsidiary and, or other Company's subsidiaries as nominated by the Purchaser (the "**Borrower(s)**") enter into the Dividend Facility;

(b) the Borrower(s) draw(s) down the Dividend Facility Amount of US$234,000,000;

(c) the Borrower(s) comply(ies) with the obligations in the Dividend Facility, including the provision of security over its/their assets if required by the terms of the Dividend Facility; and

(d) following the drawdown of any of the Dividend Facility Amount, the Company pays within the 12 month period following Completion the Special Interim Dividend on a pro rata basis to the registered holders of the Shares as at a record date falling after the close of the Offer.

As at the Latest Practicable Date, the Purchaser has not made any request under the Framework Agreement. Based on the 391,195,500 Shares in issue as at the Latest Practicable Date, the maximum amount of the Dividend Facility of US$240,000,000 and the reserves of the Company, the proposed Special Interim Dividend is intended to be US$600,000,000 or HK$11.89 per Share. The proposed Special Interim Dividend is intended to be paid in cash out of the Company's retained reserves and will be partly funded by the proceeds to be received by the Company and, or, HK Subsidiary arising from the drawdown of the Dividend Facility.

The terms of the Dividend Facility of up to an aggregate amount of US$240,000,000 were negotiated with the assistance of the SPA Parent. On 23 December, 2014, the Financing Banks issued to the SPA Parent a binding commitment letter in favour of the Company, which the SPA Parent countersigned on 6 January, 2015. From the date of the SPA Parent countersigning the commitment letter, the Financing Banks are committed to provide the Dividend Facility to the Company and HK Subsidiary for a period of nine months until 23 September, 2015, which will be available for drawdown by the Company and, or the HK Subsidiary once the Company and, or the HK Subsidiary either (a) countersign(s) the commitment letter and the Dividend Facility Agreement or (b) enter(s) into the Dividend Facility Agreement itself/themselves without any further action from the SPA Parent. As at the Latest Practicable Date, neither the Company nor HK Subsidiary has countersigned the commitment letter or the Dividend Facility Agreement or entered into the Dividend Facility Agreement itself.

The Dividend Facility will only be drawn down and the Special Interim Dividend will only be paid after the close of the Offer subject to and upon the Board's approval of the entry into and drawdown of the Dividend Facility and the payment of the Special Interim Dividend which approval will not be sought until after close of the Offer.

Any Offer Shareholder who accepts the Offer will not be entitled to participate in any dividends, including any Special Interim Dividend, which may be declared and paid following the close of the Offer. Offer Shareholders who do not accept the Offer and are on the register of members on the record date for the Special Interim Dividend will therefore receive the Special Interim Dividend (if paid) of HK$11.89 per Share. Shareholders should compare the Offer Price with the intended amount of the Special Interim Dividend and their expectation of the Share price of the Shares after adjusting for the Special Interim Dividend. There is, however, at the date of this letter, no assurance that the Special Interim Dividend will be paid. Based simply on the Offer Price and the Special Interim Dividend, the ex-dividend value is calculated as HK$14.11 per Share (the "**Ex-dividend Price**").

BASIS OF OUR ADVICE

In formulating our opinion and recommendation, we have relied on the information, opinions and the facts supplied to us by the Company, including those contained or referred to in the Composite Document and related announcements. We have reviewed the published information on the Company including the annual reports for the past five years, the last of which ended on 31 December, 2014, and business plan of the Group for the five years ending 31 December, 2019. We have also discussed with the management of the Company and members of the Board the business strategy for the Group, its performance and prospects.

We have reviewed the past performance of the Shares on the Stock Exchange and compared their performance in relation to the Hang Seng Index, Hang Seng Composite Index — Information Technology and Hang Seng Composite Index — Telecommunications. We have also made comparisons with listed peers of the Company and similar merger and acquisition transactions on the Hong Kong and overseas stock markets. We consider the information we have reviewed is sufficient to reach the conclusions set out in this letter and have no reason to doubt the truth, accuracy or completeness of the information provided to us by the Company and, or the Directors, and have been advised by the Directors that no material information has been omitted or withheld from the information supplied to us or the information relating to the Company referred to in the Composite Document. We have relied on the information so provided to us and referred to in the Composite Document, and we have not verified it or conducted an independent investigation into the business and affairs of the Group. We have not considered the consequences for the taxation of profits made by the Offer Shareholders or any other aspect of the position of the Offer Shareholders with regard to taxation arising from the acceptance of the Offer since this is particular to each Offer Shareholder's individual circumstances. Offer Shareholders should consider their own taxation position and should consult their own professional advisers if they are in any doubt.

Apart from normal professional fees for our services to the Company in connection with this appointment, no arrangement exists whereby we will receive any benefits from the Group or any of its associates.

We acted as an independent financial adviser to a privatisation proposal of the Company by way of scheme of arrangement in 2012. Given the nature of our previous role, we consider that such relationship would not affect our independence.

PRINCIPAL FACTORS

In arriving at our opinion we have taken into consideration the following principal factors and reasons:

Business operations of the Group

The Company, listed on the Stock Exchange on 19 June, 1996, is a leading provider of high quality satellite transmission services and transponder capacity in the Asia Pacific region. At the time of listing the Company owned and operated two satellites, AsiaSat 1 and AsiaSat 2, which together provided access to more than 50 countries with approximately 3.3 billion people from Siberia to Australia and from Japan to the Middle East. The Group now has six satellites in geostationary orbit of which AsiaSat 3S, AsiaSat 4, AsiaSat 5 and AsiaSat 7 are currently operating commercially. AsiaSat 6 and AsiaSat 8 have been successfully launched and are in the process of obtaining the regulatory licences required for their intended commercial operation. It is expected that the transponders on AsiaSat 6 and AsiaSat 8 will be available to the market commercially during 2015. AsiaSat 6 and AsiaSat 8 will provide incremental capacity to the fleet and are expected to serve the PRC and the Asia markets, respectively. In the longer term, AsiaSat 9 is expected to be launched in late 2016 or early 2017 and is intended to replace AsiaSat 4 with improved performance and additional capacity. AsiaSat 3S, which was replaced by AsiaSat 7 at 105.5°E location, has been deployed in inclined orbit to provide temporary service to customers and continues to contribute additional short-term revenue to the Group. It is expected that the incremental capacity and market coverage provided by AsiaSat 6 and AsiaSat 8 will position the Group to capture growth opportunities in 2015.

As of 31 December, 2014 the total number of transponders leased or sold was 100 (31 December, 2013: 97) while the Group's overall fleet utilisation rate increased to 75% (31 December, 2013: 74%). The utilisation rate excludes AsiaSat 6 and AsiaSat 8 which are not yet in service.

Summarised below are the launch and expected retirement dates of the Group's satellites in orbit and under construction.

Table 1 - Satellites in orbit

Satellites	Location	Launch date	Expected retirement date	Transponders	Coverage
AsiaSat 3S	120°E	21/3/1999	2015	28 C-band 16 Ku-band	Asia
AsiaSat 4	122°E	11/4/2003	2018	28 C-band 20 Ku-band	Asia, Middle East and Australasia
AsiaSat 5	100.5°E	12/8/2009	2024	26 C-band 14 Ku-band	Asia, Middle East, Eastern Europe and Australasia
AsiaSat 6 *(Note 1)*	120°E	7/9/2014	2029	28 C-band	Asia, Australasia and Pacific islands
AsiaSat 7 *(Note 2)*	105.5°E	26/11/2011	2026	28 C-band 17 Ku-band	Asia, Middle East and Australasia
AsiaSat 8 *(Note 1)*	105.5°E	5/8/2014	2029	24 Ku-band	PRC, India, Middle East and South East Asia

Sources: Company's website at www.asiasat.com and 2014 annual report of the Company

Notes:

1. As at the Latest Practicable Date, the Company is seeking to obtain the requisite licences for AsiaSat 6 and AsiaSat 8 to provide satellite services to the PRC and India, respectively.

2. AsiaSat 7 commenced operation in April, 2014.

Table 2 - Satellite under construction

Satellite	Location	Expected launch date	Coverage
AsiaSat 9	122°E	Late 2016 or early 2017	PRC, Australia, Mongolia, Indonesia

Source: Company's 2014 annual report

Terms of the Offer

For every Offer Share . . . . HK$26.00 in cash

The Offer Price is the same as the effective price per Share paid by the Purchaser under the Share Purchase Agreement.

Based on the Offer Price, the entire issued share capital of the Company is valued at HK$10,171,083,000.

The Offer will only be made to the Offer Shareholders. Immediately after Completion and as at the Latest Practicable Date, the Offeror did not own any voting rights or rights over Shares. Bowenvale, which owned 291,174,695 Shares immediately upon Completion, is a party acting in concert with the Offeror. Accordingly, the Offeror and parties acting in concert with it held in aggregate 291,174,695 Shares, representing 74.43% of the issued share capital of the Company immediately upon Completion, and 100,020,805 Shares are subject to the Offer. Based on the Offer Price, the Offer is valued at HK$2,600,540,930.

In addition to the Offer Price, we have considered the Ex-dividend Price of HK$14.11 per Offer Share in the event the Board approves the Dividend Facility and payment is made of the Special Interim Dividend of HK$11.89 per Share after the close of the Offer. Our analysis of the Ex-dividend Price is described more fully below.

Historical financial performance and prospects of the Group

Consolidated Statement of Comprehensive Income

The following table summarises the audited results of the Group for each of the five years ended 31 December, 2014.

Table 3 - Results of the Group for the past five years ended on 31 December, 2014

	For the year ended 31 December,				
(HK$ millions except for EPS)	**2010**	**2011**	**2012**	**2013**	**2014**
		(Restated)			
Revenue					
Continuing operations *(Note 1)*	1,456	1,580	1,780	1,499	1,365
Discontinued operations *(Note 2)*	—	240	183	—	—
Inter-segment elimination	—	(102)	(78)	—	—
Total revenue	1,456	1,718	1,885	1,499	1,365
Year-on-year % changes	*25%*	*18%*	*10%*	*-20%*	*-9%*
Gross profit — continuing operations	957	1,153	1,320	958	788
Margin %	*66%*	*73%*	*74%*	*64%*	*58%*
EBITDA — continuing operations *(Note 3)*	1,144	1,317	1,541	1,308	1,105
EBITDA margin %	*79%*	*83%*	*87%*	*87%*	*81%*
EBIT — continuing operations *(Note 4)*	801	972	1,186	871	638
EBIT margin %	*55%*	*62%*	*67%*	*58%*	*47%*
Profit and total comprehensive income attributable to owners of the Company — continuing operations	695	823	914	748	559
Margin %	*48%*	*52%*	*51%*	*50%*	*41%*
Basic earnings per Share (EPS) (HK$)	1.78	2.11	2.34	1.91	1.43
Diluted EPS (HK$)	1.78	2.10	2.33	1.91	1.43

Sources: Annual reports of the Company from 2010 to 2014

Notes:

1. Revenue from continuing operations was mainly income from provision of satellite transponder capacity.

2. The discontinued operations in 2012 related to the disposal of (a) the Group's entire interest in wholly-owned subsidiary SpeedCast and its subsidiaries for a consideration of approximately HK$251 million; and (b) DISH-HD Asia Satellite Limited, a joint venture formed in 2009 between the Company and EchoStar Corporation providing Direct-To-Home (DTH) services in Taiwan and other targeted regional markets. SpeedCast is a two-way broadband access services provider in Asia, the Middle East and Africa.

3. EBITDA means earnings before interest, taxes and depreciation and amortisation expenses.

4. EBIT means earnings before interest and taxes.

As shown in Table 3 above, the Group's results displayed a growing trend in terms of revenue, net profits and profit margins from 2010 to 2012 as the television broadcasting and telecommunications markets in the Asia Pacific region grew steadily. In 2012, the Group disposed of its wholly owned interest in SpeedCast and its subsidiaries and recognised a gain on disposal of approximately HK$119 million. In 2013, the Group posted lower profit attributable to owners of HK$748 million compared to the previous year of HK$914 million largely due to (i) a non-recurring HK$134 million profit from discontinued operations from the sale of SpeedCast, a subsidiary of the Company, which was reflected in the 2012 financial statements, and (ii) commencement of depreciation of AsiaSat7 during the year. The Group's turnover from continuing operations in 2013 was HK$1,499 million, representing a decrease of HK$281 million from the previous year. Excluding non-recurring revenue of HK$311 million from customers resulting from the enactment of the Finance Act in India in May, 2012, the Group's turnover in 2013 remained steady compared with 2012.

For the year ended 31 December, 2014, turnover decreased approximately 9% to HK$1,365 million as compared to the previous financial year. The decrease in turnover was primarily due to a July, 2013 agreement with a major customer which resulted in a significant extension of the contract, at a reduced fee and the termination of several contracts associated with the reduction in military action of the United States in the Middle East. As announced by the Company on 26 April, 2012, the Group had a fee reduction resulting from the revised terms of transponders agreements with third party customers with effect from the third quarter of 2013. Cost of services increased HK$37 million to approximately HK$577 million mainly due to an increase in depreciation expense of HK$30 million for the full year depreciation provision for AsiaSat 7. As a result, gross profit for 2014 decreased to approximately HK$788 million (2013: HK$958 million). Furthermore, on the back of increased administrative expenses of HK$150 million (2013: HK$88 million) and other gains of approximately HK$89 million during 2014 (2013: HK$27 million) which mainly comprised finance income on lease arrangement of approximately HK$48 million (2013: Nil) and increased interest income of approximately HK$40 million (2013: HK$24 million), the Group recorded profit attributable to owners of HK$559 million for the year ended 31 December, 2014 (2013: HK$748 million).

Financial Condition and Prospects of the Group

The following table summarises the financial condition of the Group for the past five years commencing with the 2010 financial year.

Table 4 - Financial position of the Group in the last five years from 2010 to 2014

	As at 31 December,				
(HK$ millions)	**2010**	**2011**	**2012**	**2013**	**2014**
Cash and equivalents	2,286	2,266	2,105	1,501	3,346
Capital expenditure	602	976	1,669	1,074	1,024
Current assets	2,520	2,640	2,534	1,907	3,806
Current liabilities	496	467	695	570	1,017
Net current assets	2,024	2,173	1,839	1,337	2,789
Total assets	7,065	7,561	8,663	8,537	10,546
Total liabilities	1,021	884	1,123	1,015	3,439
Net assets	6,045	6,677	7,540	7,522	7,107
Net assets per Share (NAV) in HK$	15.45	17.07	19.27	19.23	18.17
Gearing *(Note)*	0%	0%	0%	0%	30.7%

Source: Annual reports of the Company from 2010 to 2014

Note: Gearing is calculated based on total bank borrowings divided by shareholders' equity.

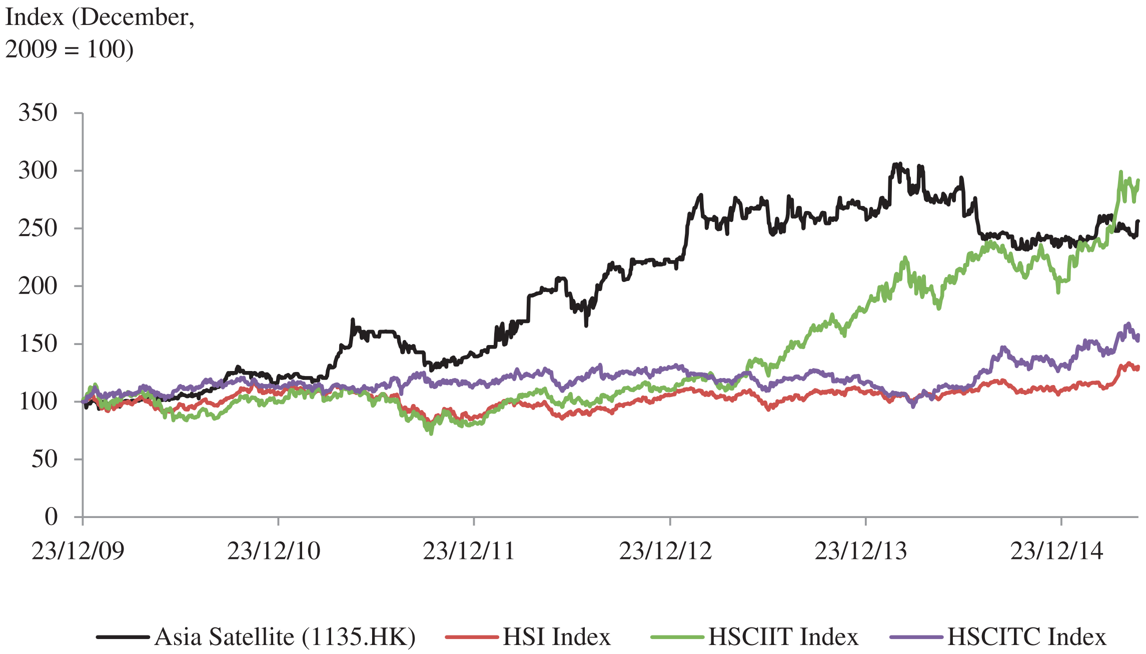
The Group had a strong balance sheet with its net asset value ("**NAV**") increasing from approximately HK$6,045 million at the end of 2010 financial year to HK$7,107 million as at 31 December, 2014, representing a CAGR of approximately 4%. The Group's principal use of capital during the five year period to up 31 December, 2014 was the payment of dividends, satellite insurance and capital expenditure relating to the construction of its satellites. These expenses were financed through the cash flow generated from operating activities. The Group was debt free during the four years up to 31 December, 2013. As at 31 December, 2014, the Group's gearing ratio, expressed as a percentage of total bank borrowings of HK$2,183 million over total equity of approximately HK$7,107 million as at 31 December, 2014 was approximately 30.7%. The bank borrowings represent long term loans from the Export-Import Bank of the United States of America to finance the construction and launch of AsiaSat 6 and AsiaSat 8. The effective interest rate of the loans is 3.51% per annum. The Group's cash and cash equivalents amounted to HK$3,346 million as at 31 December, 2014.

As mentioned in the Group's 2014 annual report, the market challenges of 2014 are expected to endure into 2015 and the Group had laid the foundations for its continuing growth with the launch of AsiaSat 6 and AsiaSat 8 that were put into orbit on 7 September, 2014 and 5 August, 2014, respectively. These new satellites are expected to provide additional C and Ku-band capacity enabling the Group to serve better existing markets in China and South Asia, and are expected to offer opportunities for growth in new markets. In relation to AsiaSat 8, it is stated in the paragraph headed "Material Change" in Appendix II to the Composite Document that it is taking longer than expected to lease out the transponder capacity of this new satellite. It is expected that the launch of AsiaSat 9 in late 2016 or early 2017 will enable the Group to have greater capacity to serve its customers.

Price of the Shares

Set out below is a graph showing the relative performance of the Shares from 22 December, 2009 until the Latest Practicable Date compared with Hang Seng Index ("**HSI**"), Hang Seng Composite Index — Information Technology ("**HSCIIT**") and Hang Seng Composite Index — Telecommunications ("**HSCITC**"):

Chart 1 - Performance of the Share price, HSI, HSCIIT and HSCITC in the past five years



Source: Bloomberg

Note: Shares prices are rebased to 100 on 23 December, 2009

The Shares traded in line with the HSI, HSCIIT and HSCITC during the period from 22 December, 2009 to 7 September, 2010, and outperformed the three indices from 8 September, 2010 until the Last Trading Day. During the period from 24 December, 2014 to the Latest Practicable Date, the Shares continued to outperform HSI and HSCITIC while the Shares underperformed HSCIIT from 31 March, 2015 onwards. Accordingly, although trading in the Shares has been thin, the overall performance of the Share price has reflected well on the Company when compared with HSI, HSCIIT and HSCITC. (Please refer to subsection headed "Liquidity of the Shares" for further details of trading in the Shares).

During the past five years immediately preceding the Last Trading Day, the Shares have traded above the Offer Price since 22 January, 2013 and up to the Last Trading Day other than in ten days when the Shares traded at or below HK$26.00, (namely, HK$25.60, on 30 September, 2014, HK$26.00 on 3 October, 2014, HK$25.95 on 6 October, 2014, HK$26.00 on 7 October, HK$25.80 on 10, 13 and 14 October, 2014, HK$25.9 on 17 October, 2014, HK$25.85 on 21 October, 2014 and HK$25.6 on 27 October, 2014). During the period immediately after the Last Trading Day to the Latest Practicable Date the Shares traded between the range of HK$26.10 and HK$30.00 which was above the Offer Price.

The Offer Price represents:

- a discount of approximately 3.70% to the closing price of HK$27.00 per Share as quoted on the Stock Exchange on 23 December 2014, being the Last Trading Day;

- a discount of approximately 1.85% to the average closing price of approximately HK$26.49 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;

- a discount of approximately 2.37% to the average closing price of approximately HK$26.63 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day;

- a discount of approximately 3.27% to the average closing price of approximately HK$26.88 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;

- a discount of approximately 2.48% to the average closing price of approximately HK$26.66 per Share as quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day; and

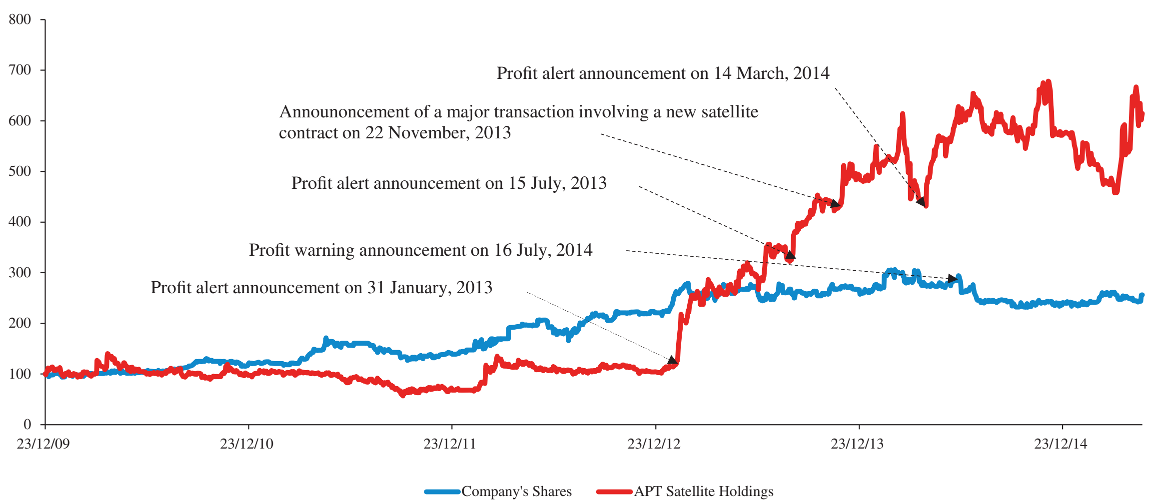
- a discount of approximately 9.41% to the closing price of HK$28.70 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six month period preceding the Last Trading Day and including the Last Trading Day were HK$31.50 per Share on 23 June, 2014 and HK$25.95 per Share on 17 October and 21 October, 2014. The Offer Price represents a discount of 17.46% to the highest closing price, and a premium of 0.19% to the lowest closing price during the six month period mentioned. During the period from 24 December, 2014 to the Latest Practicable Date and including the Latest Practicable Date, the highest and lowest closing prices of the Shares were HK$29.30 per Share on 26 March, 2015 and HK$26.20 per Share on 8 January, 2015. The Offer Price represents a discount of 11.26% to the highest closing price, and a discount of 0.76% to the lowest closing price during the period mentioned.

Based on publicly available information and to the best of our knowledge and belief, it is noted that there is only one comparable listed company in Hong Kong, namely, APT Satellite Holdings Limited ("**APT Satellite**") which is principally engaged in the operation and leasing of satellite transponder capacity and provision of satellite based broadcasting and telecommunications services globally via broadcast platforms on its satellites. During the year ended 31 December, 2014, APT Satellite generated revenue mostly from the leasing of satellite transponder capacity and related services. We have compared the price performance of the Shares with that of APT Satellite for the five year period preceding the Last Trading Day to the Latest Practicable Date. As shown in Chart 2 below, it is noted that the price of the Shares has lagged behind that of APT Satellite since 16 May, 2013 and up to the Latest Practicable Date. (Please refer to Table 5 below for further details of the comparable companies being reviewed.)

The relatively better performance of the share price of APT Satellite could be explained by the positive market response to the increase in profitability of APT Satellite since 2012, which was mainly due to new utilisation contracts for satellites known as APSTAR 7 and APSTAR 9A, which commenced operation in 2012 and 2014, respectively.

Chart 2 - Performance of the Shares compared with a comparable company listed on the Stock Exchange over the past five years



Source: Bloomberg

Note: Share prices are rebased to 100 on 23 December, 2009

Price earnings and EV/EBITDA ratios

Set out in Table 5 below is data on comparable companies listed on the Stock Exchange and other stock exchanges and for which to the best of our knowledge and belief is an exhaustive list of comparable companies. In selecting these companies we have had regard for their lines of business but the comparisons are not and cannot be exact due to variations in year end dates, different locations of assets or businesses and different levels of financial leverage and of risks. In particular, Eutelsat Communications SA, SES SA and Inmarsat PLC are based in Europe and are substantially larger than the Company and the other comparable companies and they may enjoy different operating conditions when compared with satellite operators in the Asia Pacific region and the Middle East. Based on publicly available information, Eutelsat Communications SA and SES SA currently operate 34 and 54 satellites, respectively compared to 3 to 11 satellites operated by the other companies selected. Notwithstanding the differences in the companies selected, and given the limited number of comparable companies in the Asia Pacific region, we consider that it is appropriate to include the companies we have identified as set out in Table 5 below for our comparison analysis.

Table 5 - Price earnings and EV/EBITDA ratios of comparable companies listed on the Stock Exchange and other stock exchanges

Companies	Ticker	Stock exchange	Principal activities	Financial year end dates	Number of satellites being operated	Market capitalisation on the Last Trading Day	Last Trading Day P/E *(Note 1)*	Last Trading Day EV/EBITDA *(Note 2)*	Latest Practicable Date P/E *(Note 3)*	Latest Practicable Date EV/EBITDA *(Note 4)*
				(day/month)		*(US$ million)*	*(times)*	*(times)*	*(times)*	*(times)*
APT Satellite Holdings Ltd.	1045 HK	Hong Kong	APT Satellite Holdings Ltd. through its subsidiaries maintains, operates, and leases satellite telecommunication systems.	31 December	5	880	13.0	7.6	14.3	6.4
Eutelsat Communications SA	ETL FP	EN Paris	Eutelsat Communications is a KU-band satellite operator. It offers television, radio and video broadcasting, corporate networks, Internet access and mobile communications. Eutelsat serves Europe, the Middle East, Africa, Asia, eastern North America, and South America.	30 June	34	7,526	19.8	8.7	21.3	8.6
SES SA	SESG LX	Luxembourg	SES, through subsidiaries, offers global satellite broadband communications services, feeds for cable television networks, Internet access, corporate networks, network facilities, telecommunications services, and audiovisual broadcasting.	31 December	54	18,875	26.3	13.0	26.1	9.8

Companies	Ticker	Stock exchange	Principal activities	Financial year end dates	Number of satellites being operated	Market capitalisation on the Last Trading Day	Last Trading Day		Latest Practicable Date	
							P/E (*Note 1*)	EV/ EBITDA (*Note 2*)	P/E (*Note 3*)	EV/ EBITDA (*Note 4*)
				(day/month)		*(US$ million)*	*(times)*	*(times)*	*(times)*	*(times)*
Space Communication Limited	SCC IT	Tel Aviv	Space Communication Ltd. supplies and markets satellite communication services.	31 December	4	238	40.0	11.5	25.8	10.8
Thaicom Public Co., Ltd.	THCOM TB	Bangkok	Thaicom PCL operates satellite communication business. The company operates and provides satellite transponder services. Thaicom also provides Internet, satellite uplink/downlink, and telephone network services.	31 December	4	1,191	26.9	10.5	23.1	8.9
Inmarsat PLC	ISAT LN	London	Inmarsat PLC operates a global communications satellite system. The company's satellites provide voice and high-speed data services on a worldwide basis. Inmarsat's customers include major corporations from the maritime, media, oil and gas, construction and aeronautical industries, as well as governments and aid agencies.	31 December	11	5,654	50.4	14.7	20.8	11.7

Companies	Ticker	Stock exchange	Principal activities	Financial year end dates	Number of satellites being operated	Market capitalisation on the Last Trading Day	Last Trading Day		Latest Practicable Date	
							P/E (Note 1)	EV/ EBITDA (Note 2)	P/E (Note 3)	EV/ EBITDA (Note 4)
				(day/month)		(US$ million)	(times)	(times)	(times)	(times)
Intelsat S.A.	I US	New York	Intelsat S.A. is a satellite services company that provides diversified communications services to the world's leading media companies, fixed and wireless telecommunications operators, data networking service providers for enterprise and mobile applications, multinational corporations and Internet service providers.	31 December	59	1,754	6.7	8.4	5.6	8.3

Companies	Ticker	Stock exchange	Principal activities	Financial year end dates	Number of satellites being operated	Market capitalisation on the Last Trading Day	Last Trading Day P/E (Note 1)	Last Trading Day EV/EBITDA (Note 2)	Latest Practicable Date P/E (Note 3)	Latest Practicable Date EV/EBITDA (Note 4)
				(day/month)		(US$ million)	(times)	(times)	(times)	(times)
						Maximum	50.4	14.7	26.1	11.7
						Minimum	6.7	7.6	5.6	6.4
						Median	26.3	10.5	21.3	8.9
						Average	26.2	10.6	19.6	9.2
The Company	**1135 HK**	**Hong Kong**	**The Group owns and operates satellites for commercial uses in the broadcasting and telecommunications industries. The Company's satellite capacity is used for video, high speed Internet, broadband multimedia and direct to home services.**	**31 December**	**4**	**1,362**	**16.1 (implied by the Offer Price) 10.1 (implied by the Ex-dividend Price)**	**7.1 (implied by the Offer Price) 7.1 (implied by the Ex-dividend Price)**	**18.2 (implied by the Offer Price) 11.8 (implied by the Ex-dividend Price)**	**8.2 (implied by the Offer Price) 8.2 (implied by the Ex-dividend Price)**

Source: Bloomberg and the websites of the respective companies

Notes:

1. Price earnings multiples of the comparable companies are calculated based on the market capitalisation on the Last Trading Day, divided by the latest twelve months trailing earnings of the relevant companies on the Last Trading Day.

2. EV/EBITDA ratios, known as the enterprise multiple, of the comparable companies are calculated based on the market capitalisation on the Last Trading Day plus total debt, minority interest and preference shares, minus total cash and cash equivalents, divided by earnings before interest, tax, depreciation and amortisation.

3. Price earnings multiples of the comparable companies are calculated based on the market capitalisation on the Latest Practicable Date, divided by the latest twelve months trailing earnings of the relevant companies on the Latest Practicable Date.

4. EV/EBITDA ratio are calculated based on the market capitalisation on the Latest Practicable Date plus total debt, minority interest and preference shares, minus total cash and cash equivalents, divided by earnings before interest, tax, depreciation and amortisation.

The price earnings multiple implied by the Offer Price, on a twelve months trailing earnings, is 16.1 times on the Last Trading Day and 18.2 times on the Latest Practicable Date. These price earnings ratios are lower than the median and, or average price earnings ratio of comparable companies as shown in Table 5 above. Based on the Ex-dividend Price of HK$14.11 and taking into account of estimated interest payable on the Dividend Facility Amount of HK$0.13 per Share and estimated interest income forgone of HK$0.08 per Share on the deposits to fund the Special Interim Dividend, the implied intrinsic price earnings ratio would adjust to 10.1 times on the Last Trading Day and 11.8 times on the Latest Practicable Date, significantly lower than the median and, or average price earnings ratio of comparable companies as shown in Table 5 above.

In addition, we have also compared the enterprise multiple (or the enterprise value/ EBITDA ratio) implied by the offer price with that of comparable companies in the satellite industry. We consider that it is useful to compare the enterprise multiple as it takes debt into account and ignores the effects of individual countries' taxation policies. As can be seen in Table 5 above, the enterprise multiple implied by the Offer Price is lower than the average and median enterprise multiple of the comparable companies selected. The Special Interim Dividend and its financing cost do not affect EBITDA and theoretically do not affect the enterprise value of the Company. Accordingly, the enterprise multiple remains unchanged based on the Ex-dividend Price.

Price to net asset value (NAV) ratios

We have compared the price to NAV ratio of the Company implied by the Offer Price with (a) the historic price to NAV ratio of the Company since 2010 as shown in Table 6 below; and (b) price to NAV ratio of comparable companies in Table 7 below.

Table 6 - Price to net assets ratio of the Company in the past five years

Period of the published NAV *(Note 1)*	Date of NAV	NAV per Share	Price/NAV
26/8/2009 to 25/3/2010	30/06/2009	HK$13.46	0.85
26/3/2010 to 18/8/2010	31/12/2009	HK$14.05	0.83
19/8/2010 to 23/3/2011	30/06/2010	HK$14.52	0.93
24/3/2011 to 17/8/2011	31/12/2010	HK$15.45	1.11
18/8/2011 to 23/3/2012	30/06/2011	HK$15.95	1.02
24/3/2012 to 22/8/2012	31/12/2011	HK$17.07	1.26
23/8/2012 to 13/3/2013	30/06/2012	HK$18.09	1.42
14/3/2013 to 21/8/2013	31/12/2012	HK$19.27	1.52
22/8/2013 to 19/3/2014	30/06/2013	HK$18.47	1.65
20/3/2014 to 20/8/2014	31/12/2013	HK$19.23	1.58
21/8/2014 to Last Trading Day	30/06/2014	HK$17.64	1.52
24/12/2014 to Latest Practicable Date	31/12/2014	HK$18.17	1.52

Note:

1. The periods refer to the various periods when the net asset value of the Company was published either by way of its interim or annual results announcements.

Table 7 - Price to net assets ratios of comparable companies listed on the Stock Exchange and other stock exchanges

Companies	Stock Exchanges	Market capitalisation on the Last Trading Day	Price/NAV on Last Trading Day	Price/NAV on Latest Practicable Date
		(US$ million)	*(Note 1)*	*(Note 2)*
APT Satellite Holdings Ltd.	Hong Kong	880	1.8	1.8
Eutelsat Communications SA	EN Paris	7,526	3.0	3.2
SES SA	Luxembourg	18,875	5.8	3.1
Space Communication Limited	Tel Aviv	238	1.6	2.0
Thaicom Public Co., Ltd.	Bangkok	1,191	2.4	2.4
Inmarsat PLC	London	5,654	5.4	6.0
Intelsat SA	New York	1,754	N/A *(Note 3)*	N/A *(Note 3)*
		Maximum	**5.8**	**6.0**
		Minimum	**1.6**	**1.8**
		Median	**2.7**	**2.7**
		Average	**3.3**	**3.1**
The Company	**Hong Kong**	**1,362**	**1.5 (implied by the Offer Price)**	**1.4 (implied by the Offer Price)**
			2.5 (implied by the Ex-dividend Price)	**2.2 (implied by the Ex-dividend Price)**

Source: Bloomberg

Notes:

1. Price to net asset value ratio of the comparable companies is calculated based on the market capitalisation on the Last Trading Day divided by the latest published net asset value of the relevant companies on the Last Trading Day.

2. Price to net asset value ratio of the comparable companies is calculated based on the market capitalisation on the Latest Practicable Date divided by the latest published net asset value of the relevant companies on the Latest Practicable Date.

3. "N/A" means not applicable as the relevant company had a net asset deficit.

The price to NAV ratio of the Company implied by the Offer Price of 1.5 times as at the Last Trading Day and 1.4 times as at the Latest Practicable Date is lower than the Company's historic price to net assets ratio since 22 August, 2013, and is significantly lower than the median and, or average price to NAV ratio of the comparable companies as shown in Table 7 above as at the Last Trading Day and the Latest Practicable Date.

The Ex-dividend Price would imply a price to NAV ratio of 2.5 times as at the Last Trading Day and 2.2 times as at the Latest Practicable Date based on the NAV per Share on the relevant date as adjusted for the possible payment of the Special Interim Dividend of HK$11.89 per Share, which would be lower than the median and, or average price to NAV ratio of the comparable companies selected as at the Last Trading Day and the Latest Practicable Date.

Net asset value

The Offer Price represents a premium of approximately 43.10% to the unaudited net asset value ("**NAV**") per Share of HK$18.17 as at 31 December, 2014. We consider this premium to the NAV to be inadequate when considered against the price to net assets ratio of 1.53 times implied by the closing price of the Shares on the Last Trading Day of HK$27.00.

Future prospects of the Group and the intentions of the Offeror

As mentioned in its 2014 annual report, the Company is seeking to fulfil growing demand in various markets for high definition television (HDTV) services, bandwidth, increased connectivity in countries where telecommunication, mobile and broadband infrastructure is underdeveloped, and content variety from terrestrial and pay TV operators through the provision of satellite capacity.

In the longer term, as stated in the 2014 annual report of the Company, it is expected that the Group will expand its satellite capacity across the Asia Pacific region with the launch of AsiaSat 9 in late 2016 or early 2017, which will replace AsiaSat 4. In view of the growing satellite fleet with the replacement of AsiaSat 3S with AsiaSat 7 and the addition of AsiaSat 6 and AsiaSat 8 during 2014 and a strong management team, the Directors are confident that the Group is well positioned for future growth.

According to data from Northern Sky Research[1], it is forecast that there will be strong Ku-band demand growth in the Asia Pacific region during the forecast period from 2013 to 2023, with 3% CAGR. This growth forecast will be driven by video applications in emerging markets including some countries in Southeast Asia. Overall Asia Pacific is expected to see revenues increase at a CAGR of over 6% from 2013 to 2023, driven largely by Ku-band and High Throughput Satellite (HTS) capacity demand.

[1]*Source:* Asia Pacific Satellite Communications Council, quarter 4, 2014 newsletter, pages 22 to 24. Northern Sky Research provides satellite industry market research and consulting services. The data is from NSR's Global Satellite Capacity Supply & Demand, 11th Edition report, published in July, 2014.

The Purchaser and the Offeror have stated that they intend to continue the existing business of the Group immediately following Completion and completion of the Offer. The Purchaser and the Offeror will also explore other business opportunities for the Group and consider appropriate asset and, or business acquisitions by the Group. The Purchaser and the Offeror will, after Completion, conduct a more detailed review of the Group's operations with a view to formulating a long term corporate strategy for the Group. As at the date of the Joint Announcement and the subsequent announcement dated 12 May, 2015, the Purchaser does not have any specific plan or proposal with respect to any acquisition of assets and, or business by the Group.

Following Completion, a total of three proposed Directors were nominated by the Offeror to the Board. In compliance with Rule 26.4 of the Takeovers Code, it is proposed that Mr. Julius Genachowski, Mr. Alex S. Ying and Mr. Gregory Michael Zeluck (the "**Purchaser Nominee Directors**"), who currently occupy various senior positions at Carlyle, shall be appointed as non-executive Directors and that such appointment to take effect at 11:59 p.m. on the date of despatch of the Composite Document.

The Offeror and the Company have received the Executive's consent under Rule 7 of the Takeovers Code for the resignations of each of Mr. Sherwood P. Dodge, Mr. John F. Connelly and Ms. Nancy Ku (the "**Seller Nominee Directors**") from their position as Directors to take effect at the same time as the appointment of the Purchaser Nominee Directors, that is, at 11:59 p.m. on the date of despatch of the Composite Document. Each of the Seller Nominee Directors have tendered their resignations as a Director and such resignation will take effect at 11:59 p.m. on the date of despatch of the Composite Document.

Listing status of the Company after close of the Offer

The Offeror intends to exercise its compulsory acquisition rights to acquire all the Offer Shares in accordance with the Takeovers Code and applicable laws if the Offeror obtains the prescribed percentage of acceptances from holders of Shares approving the Offer as required under the Takeovers Code and the Companies Act such that it (together with its concert parties) can exercise its right to compulsorily acquire all of the Offer Shares.

Pursuant to Rule 2.11 of the Takeovers Code and the Companies Act, except with the consent of the Executive, where the Offeror seeks to acquire or privatise the Company by means of the Offer and the use of compulsory acquisition rights, such rights may only be exercised if acceptances of the Offer and purchases (in each case of the disinterested Shares) made by the Offeror and persons acting in concert with it during the four month period after posting the Composite Document total 90% of the disinterested Shares, i.e. not less than 90,018,725 Offer Shares.

Pursuant to Rule 15.6 of the Takeovers Code, since the Offeror intends, subject to applicable regulatory approvals, to exercise its compulsory acquisition rights under the Companies Act to acquire compulsorily those Shares not acquired by the Offeror under the Offer, the Offer may not remain open for acceptance for more than four months from the date of posting of the Composite Document, unless the Offeror has by that time become entitled to exercise such powers of compulsory acquisition available to it under the Companies Act, in which event the Offeror must do so without delay. The Offeror would need regulatory approval (particularly from the DDTC under ITAR) and there will be some delay before the compulsory acquisition powers were exercised by the Offeror.

If the Offeror proceeds with the exercise of its compulsory acquisition rights and the privatisation of the Company, the Company will apply for the withdrawal of listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, and a suspension of dealings in the Shares from the close of the Offer up to the withdrawal of listing of the Shares from the Stock Exchange.

If the Offeror does not exercise its compulsory acquisition rights for the remaining Offer Shares by reason of not having acquired the prescribed percentage required or by reason of not obtaining the requisite regulatory approvals to do so, the Purchaser and the Offeror intend to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. In this connection, there may be insufficient public float for the Shares upon the close of the Offer and each of the Offeror and the Company will in such event undertake to the Stock Exchange to use all its reasonable endeavours to take appropriate steps to ensure a sufficient public float is maintained within the prescribed time frame following the close of the Offer. Should the Offeror or the Company place down a large number of Shares through the market to ensure a sufficient public float for the Shares, the Share price may be adversely affected given the low liquidity in the Shares as mentioned below.

Liquidity of the Shares

The table below shows the average daily trading volume of the Shares and the percentage of the average daily trading volume to the public float of the Company:

Table 8 - Daily trading volume of the Shares

Financial year	Average daily trading volume of the Shares (in number of Shares)	Average daily trading volume of the Shares as a percentage of the public float of the Company
2010	77,849	0.08%
2011	92,940	0.09%
2012	110,290	0.11%
2013	74,659	0.08%
2014	60,811	0.06%

Source: Bloomberg

As can be seen in Table 8 above, the average daily trading volume of the Shares during the past five years remained low at less than 0.2% of the public float of the Company. During the period from the Last Trading Day to the Latest Practicable Date, the average daily trading volume was 69,683 Shares. We believe the recent increase in the liquidity of the Shares was due to the Joint Announcement and the subsequent announcement of the Offer. The low level of liquidity in the Shares would indicate that any sale of a large number of Shares through the market would be difficult to accomplish in a short period of time without adversely affecting the Share price. Correspondingly, however, a significant order to purchase Shares in a short period of time would be likely to result in a significant increase in Share price.

Based on the closing price of the Shares of HK$27.00 on the Last Trading Day, the value of the free float of the Shares was approximately HK$2,700.6 million, which generally given the high value would be expected to give rise to a higher level of stock market liquidity. We have been unable to establish why such a relatively large free float has historically given rise to such low liquidity in the Shares, but consider that an explanation may be that the Shares are held by a significant number of long term investors. According to information available from Bloomberg (such information not being otherwise publicly available from the share registrar of the Company), the top ten institutional shareholders in the Company held in aggregate approximately 12.77% of the issued share capital of the Company on the Latest Practicable Date. According to the information available on the "Disclosure of Interests" section of the Stock Exchange's website at www.hkexnews.hk, on the Latest Practicable Date Aberdeen Asset Management Plc, a global investment management group which manages assets for both retail and institution clients, and its subsidiaries held in aggregate interest of 6.95% of the issued share capital of the Company.

The Offer provides Shareholders, who wish to realise their investment in the Company, an opportunity to sell their Shares at the Offer Price which will not be affected by the size of holding and the historical market illiquidity of the Shares. Shareholders should recognise that after the close of the Offer, the Shares may trade below the Offer Price, although the Shares were trading at a premium to the Offer Price as of the Latest Practicable Date.

Dividends, Dividend Facility and Possible Payment of the Special Interim Dividend

The table below shows the amounts and the ratios of total dividends paid during the past four years ended 31 December, 2013, and dividends paid and proposed to be paid for the year ended 31 December, 2014.

Table 9 - Dividends paid and dividend yield

	2010	2011	2012	2013	2014
			(Note 3)	*(Note 3)*	
Dividend paid ***(HK$ millions)***	207	31	751	947	223
Dividend payout ratio *(Note 1)*	30%	4%	82%	127%	40%
Dividend per Share ***(HK$)***	0.53	0.08	1.92	2.30	0.57
Dividend per Share (excluding special dividend) ***(HK$)***	0.53	0.08	0.92	0.80	0.57 *(Note 4)*
Dividend yield *(Note 2)*	4.27%	0.56%	8.44%	8.74%	2.10%
Dividend yield (excluding special dividend) *(Note 2)*	4.27%	0.56%	4.04%	3.32%	2.10%

Source: Bloomberg, annual reports of the Company from 2010 to 2014.

Notes:

1. Dividend payout ratio is expressed as a percentage of annual dividend paid, divided by the profit attributable to the Shareholders.

2. Dividend yield is calculated based on the annual dividend per Share divided by the year end closing price of the Shares for the relevant year.

3. Special dividend of HK$1.00 per Share and HK$1.50 per Share was paid by the Company in 2012 and 2013, respectively.

4. On 4 November, 2014, the Company paid an interim dividend of HK$0.18 per Share (2013:HK$0.12 per Share) to Shareholders. The Directors recommend the payment of a final dividend of HK$0.39 per Share. Such dividends are subject to approval by the Shareholders at the annual general meeting on 24 June, 2015.

Table 10 - Dividend yield of comparable companies listed on the Stock Exchange and other stock exchanges

Companies/Ticker	Stock exchanges	Market capitalisation on the Last Trading Day	Dividend yield
		(US$ million)	*(Note 1)*
APT Satellite Holdings Ltd.	Hong Kong	880	1.30%
Eutelsat Communications SA	EN Paris	7,526	4.06%
SES SA	Luxembourg	18,875	4.56%
Space Communication Limited	Tel Aviv	238	0.00%
Thaicom Public Co., Ltd.	Bangkok	1,191	1.11%
Inmarsat PLC	London	5,654	2.35%
Intelsat SA	New York	1,754	0.00%
		Maximum	**4.56%**
		Minimum	**0.00%**
		Median	**1.30%**
		Average	**1.91%**
The Company	**Hong Kong**	**1,362**	**2.19% implied by the Offer Price** **4.04% implied by the Ex-dividend Price**

Source: Bloomberg

Note:

1. Dividend yields of the comparable companies are calculated based on the annual dividend paid per share for the most recent financial year divided by the relevant year end share price.

During 2010, the Company's dividend payout ratio was 30%. In 2011, the Directors did not recommend the payment of a final dividend as funds were retained to pay for the proposed privatisation of the Company by way of scheme of arrangement announced by the Company and other parties on 2 April, 2012, and meet future capital expenditure requirements. The privatisation proposal lapsed on 18 July, 2012. Subsequently, the Group's dividend payout ratio increased to 82% in 2012 and 127% in 2013 mainly due to special dividend of HK$1.00 per Share and HK$1.50 per Share paid in 2012 and 2013, respectively. The Company's dividend payout ratio was 40% for the year ended 31 December, 2014.

Based on the interim dividends paid and final dividends proposed to be paid in respect of the year ended 31 December, 2014 of HK$0.57 per Share, the Offer Price implied a historical dividend yield of 2.19%. It is noted that this dividend yield is higher than the median and, or average dividend yield of selected listed companies comparable to the Company as shown in Table 10 above.

Assuming the Special Interim Dividend of HK$11.89 per Share is declared and paid after the close of the Offer, the Ex-dividend Price would imply a historical dividend yield of 4.04% based on dividends of HK$0.57 paid for the year ended 31 December, 2014. We consider this yield to be high compared to the median and, or average dividend yield of comparable companies as shown in Table 10 above.

Precedent mergers and acquisitions in the satellite industry

We have, to the best of our knowledge and belief, identified an exhaustive list of merger and acquisition transactions, as shown in Table 11 below, announced in the past five years since 2010 involving publicly listed target companies engaged in the provision of transponder capacity and broadband access services and have analysed the terms of these transactions and compared them with the terms of the Offer. Based on our research, no comparable transactions on the Hong Kong stock market have been identified during the period under review.

Table 11 - Comparable transactions in the satellite industry

Date of announcement	Target companies	Purchasers	Consideration Paid	Shares (%) being acquired	P/E, 12 months trailing earnings	EV/ EBITDA	Premium/ (discount) to share price - 1 day prior to the announcement	Premium/ (discount) to average share price - 30 consecutive trading days prior to the announcement
			(US$ million)		*(times)*	*(times)*		
17/5/2010	Space-Communication Ltd.	Eurocom Communications, Ltd.	45	14.9%	N/A	8.3	(2.7)%	(6.6)%
28/7/2010	MEASAT Global Bhd.	MEASAT Global Network System Sdn. Bhd.	201	39.1%	6.6	11.7	10.6%	30.8%
22/6/2012	Eutelsat Communication SA	China Investment Corp	484	7.0%	14.1	11.1	7.4%	12.4%
				Maximum	**14.1**	**11.7**	**10.6%**	**30.8%**
				Minimum	**6.6**	**8.3**	**(2.7)%**	**(6.6)%**
				Median	**10.4**	**11.1**	**7.4%**	**12.4%**
				Average	**10.4**	**10.4**	**5.1%**	**12.2%**
	The Company (implied by the Offer Price)				**16.1**	**7.1**	**(1.9)%**	**(3.3)%**

Source: A&P Capital IQ, Thomson Reuters and Bloomberg

Notes:

1. Price earnings multiple is calculated as the value of the entire share capital of the target company implied by the consideration paid for the shares acquired, divided by the latest twelve months trailing earnings of the target company.

2. EV/EBITDA ratio is calculated as the market capitalisation of the target company (implied by the consideration paid for the shares acquired) plus debt, minority interest and preferred shares, minus total cash and cash equivalents, divided by EBITDA (that is, earnings before interest, tax, depreciation and amortisation) of the target company.

As can be seen in Table 11 above, the comparable transactions relating to Space Communication Limited and Eutelsat Communication SA involves the acquisition of a minority stake in both companies and are therefore not directly comparable to the Transaction in which the Purchaser will acquire statutory control of the Company immediately prior to the Offer.

The price to earnings multiple implied by the Offer Price is higher than that of the acquisition of a 39.1% stake in MEASAT Global Bhd., but the EV/EBITDA implied by the Offer Price is lower than that of the MEASAT Global Bhd transaction. While the Offer Price represents a discount of 1.9% and 3.3% to the closing share price for one day and one month period prior to the Joint Announcement, respectively, the consideration paid in the MEASAT Global Bhd transaction represented a premium to the share price for the corresponding period, as is normally expected in an acquisition of control of a listed company.

Alternative proposals

The Company is currently controlled by Bowenvale which is in turn jointly controlled by the Purchaser and the CITIC Group. Any proposal relating to the shareholding structure of the Company will require the approval of the Purchaser and the CITIC Group.

Previous privatisation proposal

On 2 April, 2012, a privatisation proposal of the Company by way of a scheme of arrangement was jointly announced by the Company, Asia Satellite Management Ownership Trust ("**MSOT**") and AsiaSat MSOT (PTC) Limited (the "**MSOT Trustee**") (MSOT and MSOT Trustee together, being the offeror), which on its becoming effective would have resulted in the joint controllers of Bowenvale acquiring jointly 100% of the issued share capital of the Company. The privatisation proposal was voted down by the independent shareholders of the Company and lapsed on 18 July, 2012. While the Offer is a mandatory general offer extended under the Takeovers Code, we consider it to be appropriate to compare the terms of the most recent privatisation proposal for the Company in 2012 with the Offer now before the Offer Shareholders.

The 2012 privatisation proposal proposed the cancellation of Shares held by Shareholders other than Bowenvale in consideration of HK$23.50 per Share in cash, which was approximately 9.6% less than the Offer Price under the Offer. Other than in 32 trading days from 18 July, 2012 to 5 October, 2012 where the closing prices of Shares were between HK$18.54 and HK$23.30, since the privatisation proposal lapsed on 18 July, 2012 up to the Latest Practicable Date the closing price of the Shares did not fall below HK$23.50 and reached a closing high of HK$34.30 on 25 February, 2014. It is noted that during the period from 2012 when the most recent privatisation proposal was extended to Shareholders to 2013, total revenue of the Group decreased from HK$1,885 million for the 2012 financial year to HK$1,499 million in 2013, representing a decrease of 20% over the period. Revenue of HK$1,365 million was generated for the year ended 31 December, 2014. Profit attributable to the owners of the Company decreased approximately 18 % from HK$914 million for the 2012 financial year to HK$748 million for the year ended 31 December, 2013, and profit of HK$559 million was recorded for the year ended 31 December, 2014. Net assets decreased approximately 5.7% from HK$7,540 million as at 31 December, 2012 to HK$7,107 million as at 31 December, 2014.

Set out below is a comparative analysis of the terms of the Offer and the terms of the 2012 privatisation proposal, and the state of the stock market generally at the time:

	2012 privatisation proposal	**The Offer (based on the Offer Price)**	**The Offer (based on the Ex-dividend Price)**
Hang Seng Index on the last trading day prior to the date of the first announcement in respect of the 2012 privatisation proposal and the Offer	20,857	23,334	
HSCIIT on the last trading day prior to the date of the first announcement in respect of the 2012 privatisation proposal and the Offer	2,599	5,111	
HSCITC on the last trading day prior to the date of the first announcement in respect of the 2012 privatisation proposal and the Offer	1,778	1,928	
Premium/(discount) of the cancellation consideration/Offer Price over/(to) the closing price prior to suspension of dealings in the Shares	23.7%	(3.7)%	
Premium/(discount) of the cancellation consideration/Offer Price over/(to) the 30 day average closing price prior to suspension of dealings in the Shares	29.1%	(3.3)%	
Premium/(discount) of the cancellation consideration/Offer Price over/(to) the 60 day average closing price prior to suspension of dealings in the Shares	36.1%	(2.5)%	
Implied price to earnings multiple for the 2012 privatisation proposal based on 2011 earnings in respect of the privatisation proposal, and for the Offer based on the 12 months earnings up to 31 December, 2014	11.1 times	18.2 times	11.8 times
Premium/(discount) over/(to) the latest published NAV per Share in respect of (i) the 2012 privatisation proposal, (ii) the Offer based on the NAV as at 31 December 2014;	37.7%	43.1%	124.7%

Based on the above comparisons, the 2012 privatisation proposal was more attractive than the terms of the Offer in terms of premium to market prices of the Shares prior to announcement of the relevant transactions, while the Offer based on the Offer Price or the Ex-dividend Price is more attractive in terms of implied price to earnings multiple and premium to latest published NAV per Share.

Premium paid in other general offers

We have, to the best of our knowledge and belief, identified the following exhaustive list of general offers (excluding privatisations made by way of a general offer or a scheme of arrangement) made in the last three years for listed companies in Hong Kong with market capitalisation of HK$5 billion to HK$15 billion on the date of announcement, and analysed the premium paid, if any. Given the different businesses in which the relevant companies operated, we do not find this information useful in making our recommendations but, in our opinion, the discount to market price of the Shares implied by the Offer is generally not in line with the premium offered in general offers in Hong Kong as listed in Table 12 below, excluding those offers where minimal levels of acceptances were received. As shown in Table 12 below, the past general offers which carried a discount to prevailing share prices was considered not to be fair and reasonable by the independent financial advisers and received few acceptances.

Table 12 - General offers, excluding privatisations, for listed companies in Hong Kong with market capitalisation of HK$5 billion to HK$15 billion in the past three years

Date of announcement	Offeree companies	Market capitalisation of the offeree companies	Premium/(discount) of offer price to share price on the relevant last trading day (%)				Premium/ (discount) to reported NAV (%)	Shares held by the offeror before the offer (%)	Shares held by the offeror immediately after the offer (%)	Opinion of the independent financial adviser	Type of offer
(date/month/year)		*(HK$ million)* *(Note 2)*	on the last trading day	5 trading days	10 trading days	30 trading days					
Part A — Opinion of the independent financial adviser was fair and reasonable											
14/05/2012	Winsor Properties Holdings Limited *(Note 1)*	6,752	30.77	45.42	51.92	61.60	(21.20)	79.26	85.40	Fair and reasonable	Mandatory unconditional offer
09/09/2013	Vinda International Holdings Limited	10,861	38.36	33.20	33.06	34.54	150.77	21.26	59.95	Fair and reasonable	Voluntary conditional offer
13/01/2014	Billon Industrial Holdings Limited	9,537	0.00	0.23	0.47	(1.15)	37.06	58.95	65.17	Fair and reasonable	Mandatory unconditional Offer

Date of announcement	Offeree companies	Market capitalisation of the offeree companies	Premium/(discount) of offer price to share price on the relevant last trading day (%)				Premium/(discount) to reported NAV (%)	Shares held by the offeror before the offer (%)	Shares held by the offeror immediately after the offer (%)	Opinion of the independent financial adviser	Type of offer
(date/month/year)		*(HK$ million)* *(Note 2)*	**on the last trading day**	**5 trading days**	**10 trading days**	**30 trading days**					
Part B — Opinion of the independent financial adviser was not fair and reasonable											
18/05/2012	Regal Real Estate Investment Trust	6,277	(49.75)	(49.75)	(49.49)	(48.98)	(74.25)	74.71	74.73	Not fair and reasonable	Mandatory unconditional offer
04/03/2014	Wumart Stores, INC	11,736	(45.63)	(45.93)	(47.19)	(50.00)	37.70	53.30	53.41	Not fair and reasonable	Mandatory unconditional offer
Maximum			**38.36**	**45.42**	**51.92**	**61.60**	**150.77**				
Minimum			**(49.75)**	**(49.75)**	**(49.49)**	**(50.00)**	**(74.25)**				
Median			**0.00**	**0.23**	**0.47**	**(1.15)**	**37.06**				
Average			**(5.25)**	**(3.37)**	**(2.26)**	**(0.81)**	**26.02**				
	The Company	10,563	(3.70)	(1.85)	(2.35)	(3.27)	47.42				

Source: Bloomberg and announcements of relevant companies issued on the website of the Stock Exchange

Notes:

1. The offer price of HK$34.00 is the aggregate consideration offered for the listed company, the private company that was disposed of from the listed group, and the special cash dividend.

2. The market capitalisation of the offeree companies is calculated as of the date of the offer announcements.

CONCLUSIONS AND RECOMMENDATION

Conclusions and reasons for our recommendation

Having considered the foregoing and in particular for the following principal reasons:

- During the past five years immediately preceding the Last Trading Day, the Shares have traded above the Offer Price since 22 January, 2013 and up to the Last Trading Day other than in ten days when the Shares traded at or below HK$26.00. The Shares traded in the range of HK$26.10 to HK$30.00 immediately after the Joint Announcement and up to the Latest Practicable Date;

- the Offer Price represents a discount ranging from 1.85% to 3.27% to the average closing price of the Shares over periods based on five, ten, 30 and 60 consecutive trading days immediately prior to and including the Last Trading Day;

- the Offer Price represents a discount of 17.46% to the highest closing price of HK$31.50, and a premium of 0.19% to the lowest closing price of HK$25.95 during the six month period preceding (and including) the Last Trading Day;

- the Offer Price represents a discount of approximately 9.41% to the closing price of HK$28.70 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

- the Offer Price values the Company less favourably when compared with selected comparable companies in terms of price to earnings multiple, EV/EBITDA ratio and price to NAV ratio;

- the Offer Price implies a price to net asset ratio of 1.43 times which is lower than the historical price to net asset ratio of the Shares ranging from 1.52 times to 1.65 times for the period from 14 March, 2013 to the Last Trading Day, and 1.52 times for the period from 24 December, 2014 to the Latest Practicable Date;

- if it is assumed that the Special Interim Dividend of HK$11.89 per Share is paid after Completion, the Ex-dividend Price of HK$14.11 would imply a price to earnings multiple of 10.1 times and a price to NAV ratio of 2.5 times on the Last Trading Day, and a price earnings multiple of 11.8 times and a price to NAV ratio of 2.2 times on the Latest Practicable Date. These multiples also compare less favourably to the corresponding multiples of selected comparable companies; and

- the Group demonstrated consistent growth in profits from 2010 to 2012 and maintained high EBITDA margin from 2010 to 2014. The Group recorded a decline in its profits for 2013 and 2014 and continues to face market challenges. In addition, it is taking longer than expected to lease out transponder capacity of AsiaSat 8. The Directors are, however, confident that the Group is well positioned for future growth in view of the enlarged satellite fleet with the addition of AsiaSat 6 and AsiaSat 8, and expected growing demand for broadband connectivity and satellite capacity in the Asia Pacific region in the future, we consider the terms of the Offer are not attractive to the Offer Shareholders and therefore in this sense not fair and reasonable so far as the Offer Shareholders are concerned and advise the Independent Board Committee to recommend the Offer Shareholders do not accept the Offer. We recognise that the Sellers have agreed to sell their interest at a price which represents the Offer Price which reflects the sale of an interest in a jointly controlled company for which there may be limited buyers. However, we consider that to acquire the public minority interest in the Company and thereby privatise the Company, a material premium to the current offer price should be paid.

However Offer Shareholders should note that the Offer permits the Offer Shareholders to sell a higher proportion of any large holding of Shares held by them in a single trade than may normally be possible given the average daily trading volumes in Shares (see Table 8 on page 65) at a discount to the market price prevailing before the Offer was made and as at the Latest Practicable Date, and to do so without having to incur brokerage fees, transaction levies and trading fees which are customarily payable when disposing of the Shares in the market.

Offer Shareholders who wish to realise their investment in the Shares and are concerned that the Share price may fall below the current price of the Shares following the close of the Offer may consider selling some or all of their Shares in the market at current market prices. Should the market price of the Shares continue to exceed the Offer Price, those Offer Shareholders who wish to accept the Offer should consider realising their investments on the stock market. We do not recommend that the Offer Shareholders should accept the Offer. Those Offer Shareholders who are attracted by the Group and its future prospects should consider retaining some or all of their interest.

Yours faithfully,
For and on behalf of
Anglo Chinese Corporate Finance, Limited

Stephanie Wong†
Director

† *Ms. Stephanie Wong is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Anglo Chinese to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance. She has over 25 years of experience in corporate finance.*

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the accompanying Form(s) of Acceptance and Transfer in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

(a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are in your name, and you wish to accept the Offer, you must send the duly completed Form(s) of Acceptance and Transfer together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in an envelope marked "*Asia Satellite Telecommunications Holdings Limited Share Offer*" to be received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as may be determined by the Offeror and announced with the consent of the Executive in accordance with the Takeovers Code.

(b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares, you must either:

(i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed Form(s) of Acceptance and Transfer together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in an envelope marked "*Asia Satellite Telecommunications Holdings Limited Share Offer*" to be received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as may be determined by the Offeror and announced with the consent of the Executive in accordance with the Takeovers Code; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and send the duly completed Form(s) of Acceptance and Transfer together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in an envelope marked "*Asia Satellite*

Telecommunications Holdings Limited Share Offer" to be received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as may be determined by the Offeror and announced with the consent of the Executive in accordance with the Takeovers Code; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Offer must be received by the Registrar). In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing of your instruction, and submit your instruction to your licensed securities dealer/ registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited (which is normally one Business Day before the latest date on which acceptances of the Offer must be received by the Registrar).

(c) If the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer in respect of your Shares, the Form(s) of Acceptance and Transfer should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

(d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete the Form(s) of Acceptance and Transfer and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to Goldman Sachs, BofAML and/or the Offeror or their respective agent(s) to collect from the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the Form(s) of Acceptance and Transfer.

(e) Acceptance of the Offer will be treated as valid only if the completed Form(s) of Acceptance and Transfer is received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as may be determined by the Offeror and announced with the consent of the Executive in accordance to the Takeovers Code and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:

(i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if the share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

(iii) certified by the Registrar or the Stock Exchange.

(f) If the Form(s) of Acceptance and Transfer is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

(g) The seller's *ad valorem* stamp duty for transfer of Shares registered in the seller's name by the Company through the Registrar arising in connection with acceptance of the Offer will be payable by the relevant Offer Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to such Offer Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's *ad valorem* stamp duty on behalf of the relevant Offer Shareholders accepting the Offer and will pay the buyer's *ad valorem* stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

(h) No acknowledgement of receipt of any Form(s) of Acceptance and Transfer, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

(a) Unless the Offer has previously been revised or extended with the consent of the Executive in accordance with the Takeovers Code, the Form(s) of Acceptance and Transfer must be received by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form(s) of Acceptance and Transfer, and the Offer will be closed on the Closing Date.

(b) The Offeror and the Company will jointly issue an announcement through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.

(c) In the event that the Offeror decides that the Offer will remain open until further notice, at least 14 days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offer, to those Offer Shareholders who have not accepted the Offer.

(d) If the Offeror revises the terms of the Offer, all Offer Shareholders, whether or not they have already accepted the Offer, will be entitled to the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted.

(e) If the Closing Date of the Offer is extended, any reference in this Composite Document and in the Form(s) of Acceptance and Transfer to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer so extended.

3. ANNOUNCEMENT

(a) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or has expired.

Such announcement must state the following:

(i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;

(ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period;

(iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it during the Offer Period;

(iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any party acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold; and

(v) the percentages of the relevant classes of issued share capital of the Company, and the percentages of voting rights of the Company, represented by these numbers.

(b) In computing the total number of Shares for which acceptances of the Offer have been received, only valid acceptances in complete and good order which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

(c) As required under the Takeovers Code, any announcement in relation to the Offer will be published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.asiasat.com) in accordance with the requirements of the Listing Rules.

4. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Offer Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.

(b) If the Offeror is unable to comply with the requirements set out in paragraph 3 headed "*Announcement*" in this appendix, the Executive may, pursuant to Rule 19.2 of the Takeovers Code, require that the Offer Shareholders who have tendered acceptance to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements of Rule 19 of the Takeovers Code can be met.

In such case, when the Offer Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance and Transfer to the relevant Offer Shareholder(s).

5. SETTLEMENT OF THE OFFER

(a) **Provided that** the accompanying Form(s) of Acceptance and Transfer for the Shares, together with the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount representing the consideration due to each of the accepting Offer Shareholders in respect of the Shares tendered under the Offer (less seller's *ad valorem* stamp duty payable by him/her/it) will be despatched to the accepting Offer Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven Business Days following the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

(b) Settlement of the consideration to which any accepting Offer Shareholder is entitled under the Offer will be paid by the Offeror in full in accordance with the terms of the Offer (save with respect to the payment of seller's *ad valorem* stamp duty) set out in this Composite Document (including this Appendix I) and the accompanying Form(s) of Acceptance and Transfer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Offer Shareholder.

No fractions of a cent will be payable and the amount of consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

6. OVERSEAS OFFER SHAREHOLDERS

(a) The Offer is in respect of a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange in Hong Kong. The Offer will be available to all Offer Shareholders, including the Overseas Offer Shareholders. The making of the Offer to the Overseas Offer Shareholders is therefore subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong which may be different to those in other jurisdictions, and may be prohibited or affected by the laws of the relevant jurisdictions in which they are residents. Overseas Offer Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions or keep themselves informed about and observe any applicable legal or regulatory requirements.

(b) It is the sole responsibility of the Overseas Offer Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents which may be required, the filing and registration and payment of any transfer or other taxes due by such Overseas Offer Shareholders and the compliance with other necessary formalities in such relevant jurisdictions). The Overseas Offer Shareholders shall be fully responsible for the payment of any transfer or other taxes and duties due by such Overseas Offer Shareholders in respect of the relevant jurisdictions.

(c) The Offeror and parties acting in concert with it, the Company and their respective ultimate beneficial owners, Goldman Sachs, BofAML, Anglo Chinese, PwC, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Offer Shareholders for any taxes they may be required to pay on behalf of the Overseas Offer Shareholders.

(d) Acceptance of the Offer by any Overseas Offer Shareholder will be deemed to constitute a representation and warranty by such person to the Offeror, Goldman Sachs and BofAML that (i) such person is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, (ii) such person has fully observed all applicable laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consents which may be required, the filing and registration and payment of any transfer or other taxes due by such person and the compliance with other necessary formalities in such relevant jurisdictions), and (iii) such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is advised to seek professional advice in deciding whether or not to accept the Offer.

(e) **Notice to U.S. holders of Offer Shares**

The Offer is being made for the securities of a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange in Hong Kong and is subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong, which are different from those of the United States. In addition, U.S. holders of the Offer Shares should be aware that this Composite Document has been prepared in accordance with Hong Kong format and style, which differ from those of the United States. The Offer is being extended into the United States pursuant to the applicable U.S. tender offer rules or an available exemption therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Offer will comply with the relevant Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which may be different from those applicable under U.S. domestic tender offer procedures and laws.

This Composite Document has not been submitted to, or reviewed by, the U.S. Securities Exchange Commission or any U.S. state securities commission and neither the SEC nor any such U.S. state securities commission has approved or disapproved of, or passed upon the fairness and merits of the Offer described in, or upon the accuracy and adequacy of the information disclosed in, this Composite Document.

The receipt of cash pursuant to the Offer by a U.S. holder of Offer Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each U.S. holder of Offer Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of accepting the Offer.

The financial information of the Group included in this Composite Document has been extracted from the audited financial statements for the three years ended 31 December 2014, 2013 and 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Such financial information may not be wholly comparable to financial information of U.S. companies or companies whose financial statements are solely prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for U.S. holders of Offer Shares to enforce their rights and claims arising out of U.S. securities laws, since the Company is incorporated in a country other than the United States, and some or all of its officers and directors may be residents of non-U.S. jurisdictions. In addition, most of the assets of the Group are located outside the United States. U.S. holders of Offer Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult for U.S. holders of Offer Shares to effect service of process within the United States upon the Company or its officers or directors, to enforce a U.S. court's judgment against them or to compel them or their affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its affiliates, or its nominees, or their respective brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Offer Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that (i) any such purchase or arrangement complies with applicable law and is made outside the United States, and (ii) the Offer Price is increased to match any consideration paid in any such purchase or arrangement. Any information about such purchases will be reported to the SFC and will be available on the website of the SFC at http://www.sfc.hk/.

7. TAX IMPLICATIONS

Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Offeror or parties acting in concert with it, the Company or their respective ultimate beneficial owners, Goldman Sachs, BofAML, Anglo Chinese, PwC, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer is in a position to advise the Offer Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

8. GENERAL

(a) All communications, notices, Form(s) of Acceptance and Transfer, share certificates, transfer receipts and other documents of title (and/or of indemnity and/or of any other nature) to be delivered by or sent to or from the Offer Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror or parties acting in concert with it, the Company or their respective ultimate beneficial owners, Goldman Sachs, BofAML, Anglo Chinese, PwC, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the Offer accepts any liability for any loss or any other liabilities whatsoever which may arise as a result thereof.

(b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, Goldman Sachs and BofAML that the Shares tendered under the Offer are fully paid and sold by such person or persons free from all Encumbrances together with all rights accruing or attaching to them as at the date of this Composite Document or subsequently being attached to them, including, without limitation, the rights to receive all dividends and other distributions declared, made or paid, if any, by the Company on or after the date on which the Offer is made, i.e., the date of this Composite Document.

(c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror, Goldman Sachs and BofAML that the number of Shares in respect of which it is indicated in the Form(s) of Acceptance and Transfer is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Offer.

(d) The provisions set out in the accompanying Form(s) of Acceptance and Transfer form part of the terms of the Offer.

(e) The accidental omission to despatch this Composite Document and/or the accompanying Form(s) of Acceptance and Transfer or either of them to any person to whom the Offer is made shall not invalidate the Offer in any way.

(f) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.

(g) Due execution of the Form(s) of Acceptance and Transfer will constitute an authority to the Offeror, Goldman Sachs, BofAML or such person or persons as either of them may direct to complete and execute any document on behalf of the person accepting the Offer, and to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or such person or persons as it may direct the Shares in respect of which such person has accepted the Offer.

(h) The Offer is made in accordance with the Takeovers Code.

(i) References to the Offer in this Composite Document and in the Form(s) of Acceptance and Transfer shall include any extension and/or revision thereof.

(j) In making their decision as to whether to accept the Offer, the Offer Shareholders must rely on their own assessment of the Offeror, the Company and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, and the Form(s) of Acceptance and Transfer are not to be construed as any legal or business advice. The Offer Shareholders should consult their own professional advisers for advice.

(k) The making of the Offer to the Overseas Offer Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Offer Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas Offer Shareholders to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including obtaining any governmental, exchange control or other consents, the filing and registration and payment of any transfer or other taxes due from such Overseas Offer Shareholder and the compliance with other necessary formalities in such relevant jurisdictions. Such Overseas Offer Shareholders shall be fully responsible for the payment of any transfer or other taxes and duties due by such Overseas Offer Shareholders in respect of the relevant jurisdictions. The Overseas Offer Shareholders are recommended to seek professional advice in deciding whether or not to accept the Offer.

(l) The English text of this Composite Document and of the accompanying Form(s) of Acceptance and Transfer shall prevail over their respective Chinese text in case of inconsistencies.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the financial results of the Group for each of the three years ended 31 December 2014, 2013 and 2012 as extracted from the annual reports of the Company for the years ended 31 December 2014, 2013 and 2012 respectively.

No qualified opinion had been given by the auditor of the Company, PricewaterhouseCoopers, Certified Public Accountants, in respect of the Group's audited consolidated financial statements for each of the financial year ended 31 December 2014, 2013 and 2012.

Consolidated Statement of Comprehensive Income

	Year ended 31 December		
	2014	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*
Continuing operations			
Revenue	1,364,958	1,498,631	1,779,545
Cost of services	(577,418)	(540,278)	(459,046)
Gross profit	787,540	958,353	1,320,499
Administrative expenses	(149,848)	(87,573)	(134,344)
Other gains - net	88,640	26,967	28,855
Operating profit	726,332	897,747	1,215,010
Finance expenses	(3,112)	—	(3,654)
Profit before income tax	723,220	897,747	1,211,356
Income tax expense	(164,200)	(150,227)	(431,231)
Profit and total comprehensive income for the year from continuing operations	559,020	747,520	780,125
Discontinued operations			
Profit for the year from discontinued operations	—	—	134,247
Profit and total comprehensive income for the year	559,020	747,520	914,372
Profit and total comprehensive income attributable to:			
Owners of the Company	559,139	747,640	914,491
Non-controlling interests	(119)	(120)	(119)
	559,020	747,520	914,372

	Year ended 31 December		
	2014	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*
Profit attributable to owners of the Company arises from:			
Continuing operations	559,139	747,640	780,244
Discontinued operations	—	—	134,247
	559,139	747,640	914,491
Earnings per share from continuing and discontinued operations attributable to the owners of the Company for the year (expressed in HK$ per share)			
Basic earnings per share			
From continuing operations	1.43	1.91	2.00
From discontinued operations	—	—	0.34
From profit of the year	1.43	1.91	2.34
Diluted earnings per share			
From continuing operations	1.43	1.91	1.99
From discontinued operations	—	—	0.34
From profit of the year	1.43	1.91	2.33
Interim Dividends (HK$ per share)	0.18	0.12	0.12
Final Dividends (HK$ per share)	0.39	0.80	0.80
Special Dividends (HK$ per share)	—	1.50	1.00

2. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Annual report of the Group for the year ended 31 December 2014

Set out below are the audited financial statements together with the relevant notes thereto as extracted from the annual report of the Company for the year ended 31 December 2014.

Consolidated Statement of Comprehensive Income

		Year ended 31 December	
	Note	**2014**	**2013**
		HK$'000	*HK$'000*
Revenue	5	1,364,958	1,498,631
Cost of services	7	(577,418)	(540,278)
Gross profit		787,540	958,353
Administrative expenses	7	(149,848)	(87,573)
Other gains — net	6	88,640	26,967
Operating profit		726,332	897,747
Finance expenses	9	(3,112)	—
Profit before income tax		723,220	897,747
Income tax expense	10	(164,200)	(150,227)
Profit and total comprehensive income for the year		559,020	747,520
Profit and total comprehensive income attributable to:			
Owners of the Company		559,139	747,640
Non-controlling interests		(119)	(120)
		559,020	747,520
Earnings per share attributable to the owners of the Company for the year (expressed in HK$ per share)			
Basic earnings per share	12	1.43	1.91
Diluted earnings per share	12	1.43	1.91
Dividends	13	222,981	946,693

Consolidated Statement of Financial Position

	Note	As at 31 December 2014	2013
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Leasehold land and land use rights	14	18,951	19,534
Property, plant and equipment	15	6,710,503	6,604,655
Unbilled receivables		7,668	3,005
Deposit	17	2,616	2,616
Total non-current assets		6,739,738	6,629,810
Current assets			
Trade and other receivables	17	460,515	405,813
Cash and bank balances	18	3,345,672	1,501,110
Total current assets		3,806,187	1,906,923
Total assets		10,545,925	8,536,733
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares	19	39,120	39,120
Reserves	20(a)		
— Retained earnings		6,883,557	6,556,941
— Proposed final dividend	13	152,566	312,956
— Proposed special dividend	13	—	586,794
— Other reserves		30,998	25,059
		7,106,241	7,520,870
Non-controlling interests		782	901
Total equity		7,107,023	7,521,771
LIABILITIES			
Non-current liabilities			
Bank borrowings	21	1,929,333	—
Deferred income tax liabilities	23	397,035	389,307
Deferred revenue	22	93,914	54,377
Other amounts received in advance		1,377	1,377
Total non-current liabilities		2,421,659	445,061

	Note	As at 31 December 2014	2013
		HK$'000	*HK$'000*
Current liabilities			
Bank borrowings	21	254,039	—
Construction payables		101,693	12,882
Other payables and accrued expenses		109,932	65,331
Deferred revenue	22	193,399	199,166
Current income tax liabilities		358,180	292,522
Total current liabilities		1,017,243	569,901
Total liabilities		3,438,902	1,014,962
Total equity and liabilities		10,545,925	8,536,733
Net current assets		2,788,944	1,337,022
Total assets less current liabilities		9,528,682	7,966,832

Statement of Financial Position

		As at 31 December	
	Note	**2014**	**2013**
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Investments in subsidiaries	16	456,931	455,623
Total non-current assets		456,931	455,623
Current assets			
Amount due from a subsidiary	16	32,201	30,392
Other receivables, deposits and prepayments		595	460
Total current assets		32,796	30,852
Total assets		489,727	486,475
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares	19	39,120	39,120
Reserves	20(b)	445,695	443,510
Total equity		484,815	482,630
LIABILITIES			
Current liabilities			
Other payables and accrued expenses		4,911	3,670
Current income tax liabilities		1	175
Total liabilities		4,912	3,845
Total equity and liabilities		489,727	486,475
Net current assets		27,884	27,007
Total assets less current liabilities		484,815	482,630

Consolidated Statement of Changes in Equity

		Attributable to owners of the Company							
	Note	Share capital	Share premium	Shares held under Share Award Scheme	Share- based payment reserve	Retained earnings	Total	Non-controlling interests	Total equity
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2013		39,120	17,866	(1,712)	14,136	7,468,928	7,538,338	1,021	7,539,359
Comprehensive income									
Profit or loss		—	—	—	—	747,640	747,640	(120)	747,520
Transactions with owners									
Employees share award scheme:									
— Shares held under Share Award Scheme		—	—	(24,242)	—	—	(24,242)	—	(24,242)
— Share-based payment		—	—	—	9,131	—	9,131	—	9,131
— Shares vested under Share Award Scheme		—	—	16,850	(16,850)	—	—	—	—
Transfer to share-based payment reserve		—	—	—	9,880	(9,880)	—	—	—
Final and special dividends relating to 2012	13	—	—	—	—	(704,152)	(704,152)	—	(704,152)
Interim dividend relating to 2013	13	—	—	—	—	(46,943)	(46,943)	—	(46,943)
Dividend for shares held by Share Award Trust		—	—	—	—	1,098	1,098	—	1,098
Total transactions with owners, recognised directly in equity		—	—	(7,392)	2,161	(759,877)	(765,108)	—	(765,108)
Balance at 31 December 2013		39,120	17,866	(9,104)	16,297	7,456,691	7,520,870	901	7,521,771
Balance at 1 January 2014		39,120	17,866	(9,104)	16,297	7,456,691	7,520,870	901	7,521,771
Comprehensive income									
Profit or loss		—	—	—	—	559,139	559,139	(119)	559,020
Transactions with owners									
Employees share award scheme:									
— Shares held under Share Award Scheme		—	—	(16,169)	—	—	(16,169)	—	(16,169)
— Share-based payment		—	—	—	11,178	—	11,178	—	11,178
— Shares vested under Share Award Scheme		—	—	20,399	(20,399)	—	—	—	—
Transfer to share-based payment reserve		—	—	—	10,930	(10,930)	—	—	—
Final and special dividends relating to 2013	13	—	—	—	—	(899,750)	(899,750)	—	(899,750)
Interim dividend relating to 2014	13	—	—	—	—	(70,415)	(70,415)	—	(70,415)
Dividend for shares held by Share Award Trust		—	—	—	—	1,388	1,388	—	1,388
Total transactions with owners, recognised directly in equity		—	—	4,230	1,709	(979,707)	(973,768)	—	(973,768)
Balance at 31 December 2014		39,120	17,866	(4,874)	18,006	7,036,123	7,106,241	782	7,107,023

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2014	2013
		HK$'000	*HK$'000*
Cash flows from operating activities			
Cash generated from operations	24	1,123,190	1,273,720
Interest paid		(28,112)	—
Hong Kong profits tax paid		(268)	(218)
Overseas tax paid		(82,925)	(70,084)
Net cash generated from operating activities		1,011,885	1,203,418
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,024,390)	(1,073,884)
Proceeds from disposals of property, plant and equipment	24	325	765
Interest received		37,509	21,427
(Increase)/decrease in short-term bank deposits with maturities over three months		(1,247,818)	397,561
Proceeds from derecognition of property, plant and equipment held under lease arrangement		635,628	—
Net cash used in investing activities		(1,598,746)	(654,131)
Cash flows from financing activities			
Purchases of shares under Share Award Scheme		(16,169)	(24,242)
Proceeds from bank borrowings		2,172,884	—
Dividends paid	13	(968,777)	(749,997)
Net cash generated from/(used in) financing activities		1,187,938	(774,239)
Net increase/(decrease) in cash and cash equivalents		601,077	(224,952)
Cash and cash equivalents at beginning of the year		564,078	789,030
Cash and cash equivalents at end of the year	18	1,165,155	564,078

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Asia Satellite Telecommunications Holdings Limited (the "Company") and its subsidiaries (together, the "Group") are engaged in the provision of transponder capacity.

The Company is a limited liability company incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda (as amended). The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together, the "Group") have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and have been prepared under the historical cost convention.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The new and amended standards that are mandatory for the first time for the financial year beginning 1 January 2014 include the following:

HKAS 32 (Amendment)	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosure for Non-Financial Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement - Novation of Derivatives
HKFRS 10, HKFRS 12 and HKAS 27 (Amendment)	Amendments to HKFRS 10, HKFRS 12, and HKAS 27 Investment Entities
HK(IFRIC)-Int 21	Levies

The adoption of these new and amended standards did not result in substantial changes to the accounting policies and financial statements of the Group in the current year.

(b) New and amended standards not yet adopted by the Group

The following standards and amendments to existing standards have been issued, but are not effective for the financial year beginning 1 January 2014 and have not been early adopted:

HKFRSs (Amendments)	Improvements to HKFRSs 2012[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2013[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2014[2]
HKAS 1 (Amendment)	Presentation of Financial Statements[2]
HKAS 16 and HKAS 38 (Amendment)	Classification of Acceptable Methods of Depreciation and Amortisation[2]
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants[2]
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions[1]
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements[2]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities[2]
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between Investor and its Associate or Joint Venture[2]
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations[2]

HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 9	Financial Instruments[4]

1 Effective for the Group for annual periods beginning on or after 1 July 2014

2 Effective for the Group for annual periods beginning on or after 1 January 2016

3 Effective for the Group for annual periods beginning on or after 1 January 2017

4 Effective for the Group for annual periods beginning on or after 1 January 2018

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application and is not yet in a position to state whether these new and amended standards will have any significant impact on the Group's reported result of operations and financial position.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls entities when the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the President and Chief Executive Officer who makes strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within 'Administrative expenses'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Buildings in the course of development for production or administrative purposes are carried at cost, less any identified impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Satellites under construction includes the manufacturing costs, launch costs and any other relevant direct costs when billed or incurred and is carried at cost less any identified impairment loss. When the satellite is subsequently put into service, the expenditure is transferred to satellites in operation and depreciation will commence.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the consolidated statement of comprehensive income during the financial year in which they are incurred.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Assets held under finance lease are derecognised and finance lease receivables are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives, at the following rates per annum:

Satellites:	
— AsiaSat 3S	6.25%
— AsiaSat 4	6.67%
— AsiaSat 5	6.25%
— AsiaSat 7	6.25%
Buildings	4%
Tracking facilities	10%-20%
Furniture, fixtures and fittings	20%-33%
Office equipment	25%-33%
Motor vehicles	25%
Teleport equipment	30%
Plant and machinery	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised within 'Other gains — net' in the consolidated statement of comprehensive income.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position (Notes 2.9 and 2.10). Loans and receivables are recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(b) Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;

- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that it would not otherwise consider;

- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

- The disappearance of an active market for that financial asset because of financial difficulties; or

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio; and

  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2.9 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, short-term highly liquid investments with original maturities of three months or less.

2.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

2.12 Construction payables

Construction payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Construction payables are classified as current liabilities if payments are expected to due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Employee benefits

(a) Pension obligations

The Group participates in defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan namely a share award scheme under which the entity receives services from employees as consideration for equity instruments (award shares) of the Group. The Group grants shares of the Company to employees under the share award scheme. The award shares are purchased from the open market and the cost of shares purchased is recognised in equity as treasury stock called “shares held under share award scheme”. The fair value of the employee services received in exchange for the grant of the award shares is recognised as an expense with a corresponding increase in share-based payment reserve. The total amount to be expensed is determined by reference to the fair value of the award shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of award shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of award shares that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

The grant by the Company of award shares over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(c) Performance-based bonus

The expected costs of performance-based bonuses are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for performance-based bonuses are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts returns and value added taxes.

The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities, as described below.

(a) Revenue from transponder utilisation is recognised on a straight-line basis over the period of the agreements when services are rendered. The excess of revenue recognised on a straight-line basis over the amount received and receivables from customers in accordance with the contract terms is shown as unbilled receivables.

(b) Revenue from the sale of transponder capacity under transponder purchase agreements is recognised on a straight-line basis from the date of delivery of the transponder capacity until the end of the estimated useful life of the satellite.

Services under transponder utilisation agreements are generally billed quarterly in advance. Such amounts received in advance and amounts received from the sale of transponder capacity under transponder purchase agreements in excess of amounts recognised as revenue are recorded as deferred revenue. Deferred revenue which will be recognised in the following year is classified under current liabilities and amounts which will be recognised after one year are classified as non-current.

Deposits received in advance in connection with the provision of transponder capacity are deferred and included in other payables.

(c) Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: currency risk, fair value interest rate risk, cash flow interest rate risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign exchange risk

During the year, almost all of the Group's revenues, premiums for satellite insurance coverage, interest expenses and substantially all capital expenditure were denominated in United States Dollars and Renminbi. The Group's remaining expenses were primarily denominated in Hong Kong Dollars. At 31 December 2014 and 2013, the majority of the Group's transponder utilisation agreements, transponder purchase agreements, obligations to purchase telemetry, tracking and control equipment and bank borrowings were denominated in United States Dollars and Renminbi. As Hong Kong Dollars are pegged to United States Dollars, the Group does not have any significant currency exposure and does not need to hedge. The Group has not hedged the foreign currency exposure in relation to Renminbi.

At 31 December 2014, certain trade receivables and cash and bank balances were denominated in Renminbi ("RMB") and the foreign currency exposure is analysed as follows:

	2014	**2013**
	RMB'000	*RMB'000*
Trade receivables	160,969	136,134
Cash and bank balances	332,695	490,049

At 31 December 2014, it is estimated that a general increase/decrease of 500 basis points in the exchange rate of Renminbi against Hong Kong Dollars, with all other variables held constant, would increase/decrease the Group's profit for the year and retained earnings by approximately HK$28,533,000 (2013: HK$36,447,000).

The sensitivity analysis above has been determined assuming that the change in foreign currency exchange rate had occurred at the reporting date and had been applied to the amount receivable in Renminbi at that date. The 500 basis points increase/decrease represents management's assessment of a reasonably possible change in the foreign currency exchange rate over the period until the next annual reporting date. The analysis is presented on the same basis for 2013.

(b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk of the Group arises from credit exposures to its customers and cash and bank balances.

The Group assesses the credit quality of its customers by taking account of their financial position, past experience and current collection trends that are expected to continue. The Group's evaluation also includes the length of time the receivables are past due and the general business environment. This credit risk is not considered significant because the Group does not normally provide credit terms to its trade customers. The Group usually bills its trade customers quarterly in advance in accordance with its agreements. The Group also requires bank guarantees and deposits from certain trade customers to manage the credit exposure. Moreover, the Group only places cash and deposits with reputable banks and financial institutions.

(c) Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk arises from its bank deposits and bank borrowings. Bank borrowings obtained at a fixed rate expose the Group to fair value interest rate risk. Short-term bank deposits which are affected by the changes in market interest rates expose the Group to cash flow interest rate risk.

The Group has no variable-rate bank borrowings but has cash balances placed with reputable banks and financial institutions, which generate interest income for the Group. The Group manages its interest rate risk by placing such balances on various maturities and interest rate terms.

The following table details the interest rate profiles of the Group's short-term deposits:

	2014		2013	
	Effective interest rate		**Effective interest rate**	
	%	*HK$'000*	*%*	*HK$'000*
Short-term deposits	1.6%	3,114,220	1.5%	1,480,801

At 31 December 2014, it is estimated that a general increase/decrease of 100 basis points in the interest rate, with all other variables held constant, would increase/decrease the Group's profit for the year and retained earnings by approximately HK$31,142,000 (2013: HK$14,808,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the interest-bearing short-term bank deposits in existence at that date. The 100 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rate over the period until the next annual reporting date. The analysis is performed on the same basis for 2013.

(d) Liquidity risk

The Group manages its liquidity risk by ensuring it has sufficient liquid cash balances to meet its payment obligations as they fall due. The Group closely monitors its exposure to liquidity risk by reviewing the cash position report on a quarterly basis. The Group invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room to meet operation needs. The Group also reviews different funding options regularly in case needs arise.

As at 31 December 2014, the Group had available unutilised bank loan facilities of approximately HK$437,898,000 (2013: HK$2,695,090,000). The Group had subsequently drawn down the bank loan facilities of approximately HK$195,894,000 on 9 February 2015. The remaining unutilised bank loan facilities were cancelled on 13 February 2015.

The non-derivative financial liabilities of the Group as at 31 December are analysed into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date in the table below. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

	2014				2013		
	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total	Within 1 year	More than 1 year but less than 3 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Bank borrowings	344,964	1,224,221	978,774	2,547,959	—	—	—
Construction payables	101,693	—	—	101,693	12,882	—	12,882
Other payables and accrued expenses	109,932	—	—	109,932	65,331	—	65,331
	556,589	1,224,221	978,774	2,759,584	78,213	—	78,213

Company

	2014				2013		
	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total	Within 1 year	More than 1 year but less than 3 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other payables and accrued expenses	4,911	—	—	4,911	3,670	—	3,670

3.2 Capital management

The Group's objectives when managing capital, which comprises all capital and reserves attributable to the owners, are:

- To safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders;

- To support the business growth; and
- To maintain a strong credit rating.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In December 2013, the Group entered a long-term loan agreement to finance the construction of AsiaSat 6 and AsiaSat 8 satellites. The Group is required to comply with certain financial covenants. If the Group were to breach the covenants, the loans would become payable on demand. The Group regularly monitors its compliance with these covenants. For the year ended 31 December 2014, the Group complied with all of the above covenants.

In this regard, the Group adopted a strategy in 2014 to monitor the capital structure on the basis of the gearing ratio not exceeding 50%. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest bearing bank borrowings (including 'current and non-current bank borrowings' as shown in the consolidated statement of financial position) less cash and bank balances. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2014	**2013**
	HK$'000	*HK$'000*
Total bank borrowings (Note 21)	2,183,372	—
Less: cash and bank balances (Note 18)	(3,345,672)	(1,501,110)
Net cash	(1,162,300)	(1,501,110)

The Group has adopted a dividend policy of providing shareholders with a dividend payout ratio between 30% to 50% of the profit for the year.

Nevertheless, in order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3.3 Fair value estimation

Except for bank borrowings (Note 21), the carrying value of the Group's financial assets and financial liabilities is a reasonable approximation of their fair values due to the relatively short term nature of these financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful lives of in-orbit satellites

The Group's operations are capital intensive and it has significant investments in satellites. The carrying value of the Group's in-orbit satellites that have been commissioned and brought into service (AsiaSat 3S, AsiaSat 4, AsiaSat 5 and AsiaSat 7) represented 31% of its total assets as of 31 December 2014 (2013: 44%). The Group estimates the useful lives of satellites in order to determine the amount of depreciation expense to be recorded during the reporting period. The useful lives are estimated at the time satellites are put into orbit and are based on historical experience with other satellites as well as the anticipated technological evolution or other environmental changes. If technological changes were to occur more rapidly than anticipated or in a different form than anticipated, the useful lives assigned to these satellites may need to be shortened, resulting in the recognition of increased depreciation in a future period. Similarly, if the actual lives of satellites are longer than the Group has estimated, the Group would have a smaller depreciation expense. As a result, if the Group's estimations of the useful lives of its satellites are not accurate or are required to be changed in the future, the Group's net income in future periods would be affected.

For the year ended 31 December 2014, it is estimated that a general increase/decrease of one year of useful life of the in-orbit satellites, with all other variables held constant, would decrease/increase the depreciation charge for the year by approximately HK$26,120,000 (2013: HK$26,120,000) and HK$29,778,000 (2013: HK$29,778,000) respectively.

4.2 Critical judgments in applying the entity's accounting policies

(a) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and the deductibility of certain expenses items. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(b) Impairment of the carrying amounts of long-lived assets

The Group is required to evaluate at each reporting date whether there is any indication that the carrying amounts of long-lived assets (primarily its satellites) may be impaired. If any such indication exists, the Group should estimate the recoverable amount of the long-lived assets. An impairment loss is recognised for the excess of the carrying amount of such long-lived assets over their recoverable amounts. The recoverable amount is determined at the higher of fair value less costs to sell and value in use. The value in use is the discounted present value of the cash flows expected to arise from the continuing use of long-lived assets and cash arising from its disposal at the end of its useful life. The estimates of the cash flows are based on the terms and period of existing transponder utilisation agreements ("Existing Agreements") and the anticipated renewal of these Existing Agreements.

Modifications to the terms of the Existing Agreements that result in shorter utilisation periods than previously agreed and/or those that result in the reduction in agreed rates will result in a lower recoverable amount (if the discount rate used is not changed); which may, in turn, result in a situation wherein the recoverable amounts are less than the carrying amounts (therefore, an impairment loss would need to be recognised).

At 31 December 2014 and 2013, there had been no indication that the carrying amounts of long-lived assets of the Group may have become impaired.

(c) Provision for impairment loss of trade receivables

Refer to credit risk in Note 3.1 (b) above for details.

5 REVENUE AND SEGMENT INFORMATION

(a) Revenue:

The Group's revenue is analysed as follows:

	2014	2013
	HK$'000	*HK$'000*
Income from provision of satellite transponder capacity		
— recurring (Note)	1,297,323	1,446,195
— non-recurring	7,488	4,368
Sales of satellite transponder capacity	22,495	17,818
Other revenues	37,652	30,250
	1,364,958	1,498,631

Note: For the year ended 31 December 2014, a total amount of HK$55,018,000 (2013: HK$50,345,000) was recorded as the additional revenue received or receivable from certain customers following the enactment of the Finance Act in India in 2012, which imposes tax on the Group for revenue that could be considered as Indian sourced subject to Indian Court's final decision. Further details were set out in Note 10 to these consolidated financial statements.

(b) Segment information:

The chief operating decision-maker has been identified as the President and Chief Executive Officer of the Group. The President and Chief Executive Officer considers the business from a product perspective which is the operation, maintenance and provision of satellite telecommunication systems for broadcasting and telecommunication. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 and the information that regularly reviewed by the President and Chief Executive Officer for the purposes of allocating resources and assessing performance of the operating segment is the financial statements of the Group, no separate segmental analysis is presented in these financial statements.

Revenue reported in Note 5(a) above represented transactions with third parties and are reported to the President and Chief Executive Officer in a manner consistent with that in the consolidated statement of comprehensive income.

The Group is domiciled in Hong Kong. The revenue from customers in Hong Kong and Greater China for the year ended 31 December 2014 are HK$211,008,000 (2013: HK$254,800,000) and HK$290,352,000 (2013: HK$298,568,000) respectively, and the total revenue from customers in other countries is HK$863,598,000 (2013: HK$945,263,000). For the purpose of classification, the geographical source of revenue is determined based on the place of incorporation of the customers instead of the footprint of the satellites of the Group which may involve transmission to multiple geographical areas under a single satellite transponder capacity arrangement.

For the year ended 31 December 2014, revenue of approximately HK$123,626,000 (2013: HK$152,284,000) are derived from a single external customer. These revenue are attributable to the provision of satellite telecommunication systems for broadcasting and telecommunication.

The amounts provided to the President and Chief Executive Officer with respect to total assets and total liabilities are measured in a manner consistent with that in the consolidated statement of financial position. All assets and liabilities are related to the only operating segment of the Group whose operation is domiciled in Hong Kong.

6 OTHER GAINS — NET

	2014	2013
	HK$'000	*HK$'000*
Interest income	39,879	24,188
Net gain on disposals of property, plant and equipment	325	428
Finance income on lease arrangement	48,436	—
Others	—	2,351
	88,640	26,967

7 EXPENSES BY NATURE

Expenses included in cost of services and administrative expenses are analysed as follows:

	2014	2013
	HK$'000	*HK$'000*
Auditor's remuneration		
— audit services	1,545	1,445
— non-audit services	995	1,099
(Write back)/provision for impairment of		
— trade receivables, net (Note 17)	(3,266)	(10,879)
— other receivables (Note 17)	4,403	—
Bad debts written off	1,182	—
Depreciation of property, plant and equipment (Note 15)	466,818	437,024
Employee benefit expense (Note 8)	139,138	127,795
Operating leases		
— Office premises	9,098	11,355
— Leasehold land and land use rights (Note 14)	583	583
Net exchange loss/(gain)	8,494	(24,626)
Marketing and promotions expense	6,863	9,039
Satellite operations	10,099	6,398

8 EMPLOYEE BENEFIT EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Salary and other benefits, including directors' remuneration	118,961	110,261
Share-based payment	11,178	9,131
Pension costs — defined contribution plans	8,999	8,403
Total staff costs	139,138	127,795

	2014	2013
Number of employees	133	134

(a) Pensions — defined contribution plans

Forfeited contributions totaling HK$103,000 (2013: HK$315,000) were fully utilised during the year, leaving no available balance at the year end to reduce future contributions.

There was no outstanding balance of contribution payable at both 31 December 2014 and 31 December 2013.

(b) Directors' emoluments

The remuneration of every Director for the year ended 31 December 2014 is set out below:

Name of Director	Fees	Salary	Performance related bonuses	Other benefits (a)	Employer's contribution to pension scheme	Share-based payment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
JU Wei Min (b) & (e)	209	—	—	—	—	—	209
LUO Ning (b) & (e)	104	—	—	—	—	—	104
Peter JACKSON (b) & (e)	156	—	—	—	—	—	156
Sherwood P. DODGE (c) & (e)	209	—	—	—	—	—	209
John F. CONNELLY (c) & (e)	104	—	—	—	—	—	104
Nancy KU (c) & (e)	104	—	—	—	—	—	104
James WATKINS	381	—	—	—	—	—	381
Stephen LEE Hoi Yin	381	—	—	—	—	—	381
Kenneth McKELVIE	411	—	—	—	—	—	411
Maura WONG Hung Hung	381	—	—	—	—	—	381
CHONG Chi Yeung	—	—	—	—	—	—	—
William WADE (d)	—	6,066	1,517	398	910	1,565	10,456
Total	2,440	6,066	1,517	398	910	1,565	12,896

The remuneration of every Director for the year ended 31 December 2013 is set out below:

Name of Director	Fees	Salary	Performance related bonuses	Other benefits (a)	Employer's contribution to pension scheme	Share-based payment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
JU Wei Min (b) & (e)	200	—	—	—	—	—	200
LUO Ning (b) & (e)	100	—	—	—	—	—	100
Peter JACKSON (b) & (e)	127	—	—	—	—	—	127
MI Zeng Xin (b) & (e)	35	—	—	—	—	—	35
Sherwood P. DODGE (c) & (e)	200	—	—	—	—	—	200
John F. CONNELLY (c) & (e)	123	—	—	—	—	—	123
Nancy KU (c) & (e)	100	—	—	—	—	—	100
Mark CHEN (c) & (e)	35	—	—	—	—	—	35
James WATKINS	366	—	—	—	—	—	366
Stephen LEE Hoi Yin	259	—	—	—	—	—	259
Kenneth McKELVIE	274	—	—	—	—	—	274
Maura WONG Hung Hung	220	—	—	—	—	—	220
Edward CHEN	172	—	—	—	—	—	172
Robert SZE	185	—	—	—	—	—	185
CHONG Chi Yeung	—	—	—	—	—	—	—
William WADE (d)	—	5,816	2,676	486	872	1,393	11,243
Total	2,396	5,816	2,676	486	872	1,393	13,639

Notes:

(a) Other benefits include car and insurance premium and are short-term in nature.

(b) Paid to a subsidiary of CITIC.

(c) Paid to a subsidiary of GE.

(d) Mr. WADE is also the President and Chief Executive Officer of the Group.

(e) In addition to the directors' emoluments disclosed above, these directors of the Company receive emoluments from the Company, part of which is in respect of their services to the Company and its subsidiaries. No apportionment has been made as these directors consider that it is impracticable to apportion this amount between their services to the Company and their services to the subsidiaries.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include one (2013: one) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2013: four) individuals during the year are as follows:

	2014	2013
	HK$'000	*HK$'000*
Basic salaries, other allowances and benefits in kind	15,830	15,299
Employer's contribution to pension scheme	1,757	1,697
Performance related bonuses	2,776	6,235
Share-based payment	3,824	3,221
	24,187	26,452

The emoluments fell within the following bands:

	Number of individuals	
	2014	2013
Emolument bands		
HK$5,500,001—HK$6,000,000	1	—
HK$6,000,001—HK$6,500,000	2	3
HK$6,500,001—HK$7,000,000	1	—
HK$7,000,001—HK$7,500,000	—	1
	4	4

9 FINANCE EXPENSES

	2014	2013
	HK$'000	*HK$'000*
Interest expenses incurred on bank borrowings	49,667	—
Less: Interest capitalised on qualifying assets	(46,555)	—
Total	3,112	—

The interest rate applied in determining the amount of interest capitalised in 2014 was 3.51% (2013: Nil).

10 INCOME TAX EXPENSE

A significant portion of the Group's profit is treated as earned outside Hong Kong and is not subject to Hong Kong profits tax. Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation, that range from 7% to 43.26% (2013: 7% to 43.26%), prevailing in the countries in which the profit is earned.

	2014	**2013**
	HK$'000	*HK$'000*
Current income tax		
— Hong Kong profits tax	48,975	26,297
— Overseas taxation (Note (b))	86,161	87,542
— Adjustments in respect of prior years (Note (a))	21,336	—
Total current tax	156,472	113,839
Deferred income tax (Note 23)	7,728	36,388
Income tax expense	164,200	150,227

Notes:

(a) During the year ended 31 December 2014, the Group has received assessment notices from a tax authority to disallow the deductibility of certain items in respect of previous assessment years. In view of the latest development of the case, the Group has made a provision of additional tax of HK$21,336,000 for prior years in accordance with the assessment notices received, notwithstanding that the Group has appealed against such assessments.

(b) The Group has been in dispute with the Indian tax authority ("IR") in respect of revenues earned from provision of satellite transponder capacity. The Group has been assessed for tax by the IR on revenues received for the provision of satellite transponder capacity to certain customers for purposes of those customers carrying on business in India or earning income from any source in India. Details were set out in Note 31 to the annual financial statements for the year ended 31 December 2011.

In May 2012, the Finance Bill was passed by the Indian Parliament and certain amendments were enacted with retrospective effect. Under the Indian Income Tax Act (as amended by the Finance Act), revenues received from the provision of satellite transponder capacity to customers which carry on business in India or earn income from any source in India ("Indian sourced") is chargeable to tax in India subject to the judicial interpretation of the amended provision by the Courts in India. As the Finance Act introduced certain amendments with retrospective effect, this may have significant unfavourable consequences to the Group's tax proceedings in the Indian Courts in respect of which orders in favour of the Group had been granted in the past. The amount of the Group's revenues that is deemed to be Indian sourced is yet to be decided by the Indian Courts and therefore the exact tax consequences are still uncertain.

Based on the latest advice received by the Group from the Group's advisers in India, the Group has recorded a provision of HK$65 million for the year ended 31 December 2014 (2013: HK$68 million) reflecting an appropriately conservative view based on the historical information currently available. Management intends to rigorously defend the Group's position in this regard in the ongoing tax proceedings in the Indian Courts.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit before income tax	723,220	897,747
Tax calculated at tax rate of 16.5% (2013: 16.5%)	119,331	148,128
Tax effect of income not subject to income tax	(120,131)	(125,509)
Tax effect of expenses not deductible for tax purposes	57,503	40,071
Effect of income tax rate differential between Hong Kong and overseas locations	86,161	87,537
Adjustment in respect of prior years	21,336	—
Tax charge	164,200	150,227

The effective tax rate of the Group was 22.7% (2013: 16.7%).

The increase in effective tax rate was mainly attributable to the adjustment in respect of prior years as a result of a dispute with a tax authority.

11 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of HK$970,641,000 (2013: HK$753,668,000).

12 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	559,139	747,640

	2014	**2013**
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,877	390,929
Basic earnings per share (HK$)	1.43	1.91

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held under the Share Award Scheme.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has restricted shares under the Share Award Scheme which would have a dilutive effect. The calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of outstanding restricted shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the restricted shares were fully vested.

	2014	**2013**
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	559,139	747,640

	2014	**2013**
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,877	390,929
Effect of Award Shares (in thousands)	584	522
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	391,461	391,451
Diluted earnings per share (HK$)	1.43	1.91

13 DIVIDENDS

The dividends paid in 2014 and 2013 were HK$968,777,000 (HK$2.48 per share) and HK$749,997,000 (HK$1.92 per share) respectively. The directors recommend the payment of a final dividend of HK$0.39 per share (2013: a final dividend of HK$0.80 per share and a special dividend of HK$1.50 per share, totaling HK$2.30 per share). Such dividends are subject to approval by the shareholders at the Annual General Meeting on 24 June 2015. These financial statements do not reflect these dividends payable.

	2014	**2013**
	HK$'000	*HK$'000*
Interim dividend paid of HK$0.18 (2013: HK$0.12) per ordinary share	70,415	46,943
Proposed final dividend of HK$0.39 (2013: HK$0.80) per ordinary share	152,566	312,956
Proposed special dividend of HK$Nil (2013: HK$1.50) per ordinary share	—	586,794
	222,981	946,693

The aggregate amounts of the dividends paid and proposed during 2014 and 2013 have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

14 LEASEHOLD LAND AND LAND USE RIGHTS — GROUP

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

	2014	**2013**
	HK$'000	*HK$'000*
In Hong Kong held on:		
Leases of between 10 to 50 years	18,951	19,534
At 1 January	19,534	20,117
Amortisation of prepaid operating lease payments (Note 7)	(583)	(583)
At 31 December	18,951	19,534

15 PROPERTY, PLANT AND EQUIPMENT — GROUP

	Satellites and tracking facilities								
	In operation	Under Construction/ not ready for use	Buildings	Furniture, fixtures and fittings	Office equipment	Motor vehicles	Teleport equipment	Plant and equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013									
Cost	5,019,819	3,580,413	165,067	13,735	3,908	3,727	36,889	706	8,824,264
Accumulated depreciation	(2,685,167)	—	(44,678)	(13,325)	(2,744)	(2,443)	(10,540)	(706)	(2,759,603)
Net book amount	2,334,652	3,580,413	120,389	410	1,164	1,284	26,349	—	6,064,661
Year ended 31 December 2013									
Opening net book amount	2,334,652	3,580,413	120,389	410	1,164	1,284	26,349	—	6,064,661
Additions	9,621	952,942	—	11,938	1,356	1,498	—	—	977,355
Transfer between categories	1,873,255	(1,873,255)	—	—	—	—	—	—	—
Disposals (Note 24)	(287)	—	—	(30)	—	(20)	—	—	(337)
Depreciation	(417,502)	—	(6,602)	(958)	(680)	(742)	(10,540)	—	(437,024)
Closing net book amount	3,799,739	2,660,100	113,787	11,360	1,840	2,020	15,809	—	6,604,655
At 31 December 2013									
Cost	6,902,344	2,660,100	165,067	17,141	5,018	4,107	36,889	704	9,791,370
Accumulated depreciation	(3,102,605)	—	(51,280)	(5,781)	(3,178)	(2,087)	(21,080)	(704)	(3,186,715)
Net book amount	3,799,739	2,660,100	113,787	11,360	1,840	2,020	15,809	—	6,604,655
Year ended 31 December 2014									
Opening net book amount	3,799,739	2,660,100	113,787	11,360	1,840	2,020	15,809	—	6,604,655
Additions	12,602	1,140,304	3,291	125	2,402	1,134	—	—	1,159,858
Transfer between categories	22,308	(22,308)	—	—	—	—	—	—	—
Disposals (Note 24)	—	—	—	—	—	—	—	—	—
Derecognition of assets held under lease arrangement	—	(587,192)	—	—	—	—	—	—	(587,192)
Depreciation	(444,556)	—	(6,849)	(3,107)	(840)	(926)	(10,540)	—	(466,818)
Closing net book amount	3,390,093	3,190,904	110,229	8,378	3,402	2,228	5,269	—	6,710,503
At 31 December 2014									
Cost	6,937,255	3,190,904	168,358	17,266	7,387	4,114	36,889	704	10,362,877
Accumulated depreciation	(3,547,162)	—	(58,129)	(8,888)	(3,985)	(1,886)	(31,620)	(704)	(3,652,374)
Net book amount	3,390,093	3,190,904	110,229	8,378	3,402	2,228	5,269	—	6,710,503

Depreciation expense of HK$466,818,000 (2013: HK$437,024,000) has been charged in cost of services.

During the year ended 31 December 2014, the Group has capitalised borrowing costs amounting to HK$46,555,000 (2013: Nil) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of 3.51% (2013: Nil).

16 INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	**2013**
	HK$'000	*HK$'000*
Unlisted shares in subsidiaries, at cost	429,054	429,054
Investment in Share Award Trust (Note b)	27,877	26,569
	456,931	455,623

At 31 December 2014, the amount due from a subsidiary of HK$32,201,000 (2013: HK$30,392,000), denominated in Hong Kong dollars, has no fixed terms of repayment and is unsecured and interest-free.

(a) Particulars of subsidiaries

The following is the list of the principal subsidiaries at 31 December 2014:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital and debt securities	Interest held 2014	Interest held 2013
AsiaSat BVI Limited#	British Virgin Islands, limited liability company	Investment holding in Hong Kong	3,000 ordinary shares of US$1 each	100%	100%
Asia Satellite Telecommunications Company Limited	Hong Kong, limited liability company	Provision of satellite transponder capacity worldwide	30,000 ordinary shares and 20,000 non-voting deferred shares of HK$10 each	100%	100%

Shares held directly by the Company.

(b) Controlled special purpose entity

The Company has set up a trust, Asia Satellite Share Award Trust (the "Trust"), for the purpose of administering the Share Award Scheme established by the Company during 2007. In accordance with HK(SIC), Int 12, the Company is required to consolidate the Trust as the Company has the power to govern the financial and operating policies of the Trust and can derive benefits from the contributions of employees who have been awarded the Awarded Shares through their employment with the Group.

Special purpose entity	Place of incorporation	Principal activities
Asia Satellite Share Award Trust	Jersey, Channel Islands	Administering and holding the Company's shares for the Share Award Scheme for the benefit of eligible employees

17 TRADE AND OTHER RECEIVABLES — GROUP

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	250,775	237,225
Trade receivables from related parties (Note 28(d))	204,944	170,337
Less: allowance for impairment of trade receivables	(22,924)	(30,022)
Trade receivables — net	432,795	377,540
Other receivables — net	6,401	8,169
Deposits and prepayments	23,935	22,720
	463,131	408,429
Less non-current portion: deposit	(2,616)	(2,616)
Current portion	460,515	405,813

All non-current receivables are due within five years from the end of the year.

The carrying amounts of trade and other receivables approximate their fair values.

The individually impaired other receivables mainly relate to an agent, which are long outstanding and proven to be irrecoverable during the year. It was assessed that the remaining portion of the other receivables is expected to be recovered.

A majority of the trade and other receivables are denominated in Hong Kong dollars, United States Dollars and RMB and the foreign exchange risk thereon are discussed in Note 3.1(a).

The Group generally bills its trade customers quarterly in advance in accordance with its agreements. The ageing analysis of trade receivables according to the due date is stated as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Not yet due	207,276	195,479
1 to 30 days	34,935	56,393
31 to 60 days	32,905	18,192
61 to 90 days	38,767	22,189
91 to 180 days	83,199	46,844
181 days or above	58,637	68,465
	455,719	407,562

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers that are internationally dispersed.

As of 31 December 2014, trade receivables of HK$22,924,000 (2013: HK$30,022,000) were impaired and fully provided for. The impaired receivables mainly relate to customers' failure to make payment for more than six months. The ageing of these receivables is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Not yet due	—	38
1 to 30 days	3,241	2,339
31 to 60 days	3,324	418
61 to 90 days	439	42
91 to 180 days	2,963	3,092
181 days or above	12,957	24,093
	22,924	30,022

Movements on the allowance for impairment of trade receivables are as follows:

	2014	2013
	HK$'000	*HK$'000*
At 1 January	30,022	41,954
Write back for impairment of receivables, net	(3,266)	(10,879)
Amounts written off	(3,832)	(1,053)
At 31 December	22,924	30,022

The creation and release of provision for impaired receivables have been included in administrative expenses in the consolidated statement of comprehensive income. Amounts charged to the allowance accounts are generally written off when they are proven to be irrecoverable.

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2014	2013
	HK$'000	*HK$'000*
Not yet due	207,276	195,441
1 to 30 days	31,694	54,054
31 to 60 days	29,581	17,774
61 to 90 days	38,328	22,147
91 to 180 days	80,236	43,752
181 days or above	45,680	44,372
	432,795	377,540

Trade receivables that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

18 CASH AND BANK BALANCES — GROUP

	2014	2013
	HK$'000	*HK$'000*
Cash at bank and on hand	231,452	20,309
Short-term bank deposits		
— mature within 3 months	933,703	543,769
— mature more than 3 months and within one year	2,180,517	937,032
	3,345,672	1,501,110

The effective interest rate on short-term bank deposits was 1.6% (2013: 1.5%). These deposits have an average maturity of 99 days (2013: 82 days).

Cash and bank balances include the following for the purposes of the consolidated statement of cash flows:

	2014	2013
	HK$'000	*HK$'000*
Cash at bank and on hand	231,452	20,309
Short-term bank deposits		
— mature within 3 months	933,703	543,769
Cash and cash equivalents	1,165,155	564,078

19 SHARE CAPITAL

	2014		2013	
	Number of shares		Number of shares	
	('000)	*HK$'000*	*('000)*	*HK$'000*
Authorised:				
Ordinary shares at HK$0.10 each	550,000	55,000	550,000	55,000
Issued and fully paid:				
At 31 December	391,196	39,120	391,196	39,120

Share Award Scheme

Scheme adopted on 22 August 2007

On 22 August 2007, the Board approved the establishment of a Share Award Scheme ("Scheme") with the objective to enhance the competitiveness of the Group in attracting and retaining the best senior staff for the development of the Group's business. Under the Scheme, award shares of the Company ("Award Shares") are granted to eligible employees of the Company or any one of its subsidiaries.

Pursuant to the rules of the Scheme, the Company has set up the Trust for the purpose of administering the Scheme and holding the Award Shares before they vest (Note 16(b)). The Company pays cash to the Trust from time to time for the purchase of Award Shares.

Subject to the rules of the Scheme, the Board shall determine from time to time the dates on which the Award Shares for each grant are to vest to the relevant eligible employees, and initially the Board has determined that the Award Shares shall generally vest over a five year period in tranches of 25% each on every anniversary date of the grant date starting from the second anniversary date until the fifth anniversary date.

During the year, a total of 407,427 shares (2013: 443,274 shares) have been awarded to executive directors and employees at no consideration. A total of 661,132 shares (2013: 581,420 shares) at a cost of HK$20,399,000 (2013: HK$16,850,000) were vested during the year. No share (2013: 79,621 shares with a cost of HK$1,128,000) was forfeited during the year.

The number of shares awarded to and vested in the executive director was 52,137 shares (2013: 61,501 shares) and 86,009 shares (2013: 80,540 shares) respectively for the year ended 31 December 2014.

Movement in the number of Award Shares and their related average fair value is as follows:

	2014		2013	
	Average fair value per share	**Number of Award Shares**	**Average fair value per share**	**Number of Award Shares**
	HK$		*HK$*	
At 1 January		1,872,842		2,090,609
Awarded	29.36	407,427	27.40	443,274
Forfeited	—	—	14.17	(79,621)
Vested	30.86	(661,132)	28.98	(581,420)
At 31 December		1,619,137		1,872,842

Movement in the number of shares held under Share Award Scheme is as follows:

	2014		2013	
	Value	Number of shares held	Value	Number of shares held
	HK$'000		*HK$'000*	
At 1 January	9,104	305,306	1,712	73,726
Purchase during the year	16,169	533,886	24,242	813,000
Shares vested during the year	(20,399)	(661,132)	(16,850)	(581,420)
At 31 December	4,874	178,060	9,104	305,306

The remaining vesting periods of the Award Shares outstanding as at 31 December 2014 are between 0.5 year to 4.5 years (2013: 0.5 year to 4.5 years).

20 OTHER RESERVES

(a) Group

	Share premium	Share-based payment reserve	Shares held under Share Award Scheme	Retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	17,866	14,136	(1,712)	7,468,928	7,499,218
Share-based payment	—	9,131	—	—	9,131
Purchase of shares under Share Award Scheme	—	—	(24,242)	—	(24,242)
Shares vested under Share Award Scheme	—	(16,850)	16,850	—	—
Transfer to share-based payment reserve	—	9,880	—	(9,880)	—
Profit for the year	—	—	—	747,640	747,640
Final and special dividend relating to 2012	—	—	—	(704,152)	(704,152)
Interim dividend relating to 2013	—	—	—	(46,943)	(46,943)
Dividend for shares held by Share Award Trust	—	—	—	1,098	1,098
At 31 December 2013	17,866	16,297	(9,104)	7,456,691	7,481,750
At 1 January 2014	17,866	16,297	(9,104)	7,456,691	7,481,750
Share-based payment	—	11,178	—	—	11,178
Purchase of shares under Share Award Scheme	—	—	(16,169)	—	(16,169)
Shares vested under Share Award Scheme	—	(20,399)	20,399	—	—
Transfer to share-based payment reserve	—	10,930	—	(10,930)	—
Profit for the year	—	—	—	559,139	559,139
Final and special dividend relating to 2013	—	—	—	(899,750)	(899,750)
Interim dividend relating to 2014	—	—	—	(70,415)	(70,415)
Dividend for shares held by Share Award Trust	—	—	—	1,388	1,388
At 31 December 2014	17,866	18,006	(4,874)	7,036,123	7,067,121

(b) Company

	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	17,866	14,136	390,055	16,719	438,776
Share-based payment	—	9,131	—	—	9,131
Shares vested under Share Award Scheme	—	(16,850)	—	—	(16,850)
Final and special dividends relating to 2012	—	—	—	(704,152)	(704,152)
Interim dividend relating to 2013	—	—	—	(46,943)	(46,943)
Transfer-in	—	9,880	—	—	9,880
Profit for the year	—	—	—	753,668	753,668
At 31 December 2013	17,866	16,297	390,055	19,292	443,510
At 1 January 2014	17,866	16,297	390,055	19,292	443,510
Share-based payment	—	11,178	—	—	11,178
Shares vested under Share Award Scheme	—	(20,399)	—	—	(20,399)
Final and special dividends relating to 2013	—	—	—	(899,750)	(899,750)
Interim dividend relating to 2014	—	—	—	(70,415)	(70,415)
Transfer-in	—	10,930	—	—	10,930
Profit for the year	—	—	—	970,641	970,641
At 31 December 2014	17,866	18,006	390,055	19,768	445,695

The contributed surplus represents the difference between the consolidated shareholders' funds of the subsidiaries at the date at which they were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition at the time of the Group reorganisation prior to the listing of the Company's shares in 1996.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus if:

(a) It is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital.

In the opinion of the Directors, as at 31 December 2014, the Company's reserves available for distribution consisted of the share-based payment reserve of HK$18,006,000 (2013: HK$16,297,000), contributed surplus of HK$390,055,000 (2013: HK$390,055,000) and retained earnings of HK$19,768,000 (2013: HK$19,292,000).

21 BANK BORROWINGS — GROUP

	2014	2013
	HK$'000	*HK$'000*
Current	254,039	—
Non-current	1,929,333	—
	2,183,372	—

The Group utilised bank loan facilities of approximately HK$2,257,192,000 (2013: Nil) during the year ended 31 December 2014. The carrying amount of the bank borrowings was approximately HK$2,183,372,000, after netting off transaction costs of approximately HK$73,820,000.

Bank borrowings are denominated in United States Dollars and are secured by a charge on insurance claim proceeds relating to AsiaSat 6 and AsiaSat 8 satellites. They are repayable semi-annually commencing from February 2015 with the final repayment in April 2023 and carry coupons of 2.65% per annum (2013: Nil). The effective interest rate on the Group's bank borrowings was 3.51% (2013: Nil).

The fair values are based on cash flows discounted using a rate based on the borrowing rate of 2.62% (2013: Nil) and are within level 2 of the fair value hierarchy.

At 31 December 2014, the Group's bank borrowings were repayable as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 1 year	254,039	—
Between 1 and 2 years	250,999	—
Between 2 and 5 years	764,116	—
Over 5 years	914,218	—
	2,183,372	—

The interest expense on bank borrowings for the year ended 31 December 2014 was HK$49,667,000 (2013: Nil), and HK$46,555,000 (2013: Nil) of the interest was capitalised as the costs of property, plant and equipment during the year.

As at 31 December 2014, the Group had available unutilised fixed rate bank loan facilities of approximately HK$437,898,000 (2013: approximately HK$2,695,090,000). The Group had subsequently drawn down the bank facilities of approximately HK$195,894,000 on 9 February 2015. The remaining unutilised bank loan facilities were cancelled on 13 February 2015.

The carrying amounts and fair value of the bank borrowings are as follows:

	Carrying amount		Fair Value	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current	254,039	—	254,564	—
Non-current	1,929,333	—	1,932,427	—
	2,183,372	—	2,186,991	—

22 DEFERRED REVENUE — GROUP

	2014	**2013**
	HK$'000	*HK$'000*
The maturity of deferred revenue is as follows:		
Within one year	193,399	199,166
More than one year	93,914	54,377
	287,313	253,543

23 DEFERRED INCOME TAX LIABILITIES — GROUP

The gross movement on the deferred income tax liabilities is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
At 1 January	389,307	352,919
Recognised in the consolidated statement of comprehensive income (Note 10)	7,728	36,388
At 31 December	397,035	389,307

The movement in deferred tax liabilities/(assets) during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Accelerated tax depreciation	Share-based payment reserve	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2013	354,085	(1,166)	352,919
Recognised in the consolidated statement of comprehensive income	36,567	(179)	36,388
At 31 December 2013	390,652	(1,345)	389,307
Recognised in the consolidated statement of comprehensive income	7,868	(140)	7,728
At 31 December 2014	398,520	(1,485)	397,035

Deferred income tax assets are recognised for tax credits carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has no significant unrecognised deferred income tax assets (2013: HK$Nil).

24 CASH GENERATED FROM THE OPERATIONS

The reconciliation of profit for the year to cash generated from operations is as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit for the year before income tax	723,220	897,747
Adjustments for:		
— Write back for impairment of trade receivables, net	(3,266)	(10,879)
— Provision for impairment of other receivables	4,403	—
— Bad debts written off	1,182	—
— Share-based payment (Note 8)	11,178	9,131
— Amortisation of prepaid operating lease payments (Note 14)	583	583
— Depreciation (Note 15)	466,818	437,024
— Net gain on disposals of property, plant and equipment (see below)	(325)	(428)
— Interest income (Note 6)	(39,879)	(24,188)
— Finance income on lease arrangement (Note 6)	(48,436)	—
— Finance expenses	3,112	—
— Reversal of provision of asset retirement obligations	—	(1,950)
— Unrealised exchange loss/(gain)	415	(30,441)
Changes in working capital:		
— Unbilled receivables	(4,663)	41,105
— Trade and other receivables	(58,456)	(3,001)
— Other payables and accrued expenses	33,534	(5,347)
— Deferred revenue	33,770	(35,636)
Cash flows from the operations	1,123,190	1,273,720

In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

	2014	2013
	HK$'000	*HK$'000*
Net book amount of disposals (Note 15)	—	337
Net gain on disposals (Note 6)	325	428
Proceeds from disposals of property, plant and equipment	325	765

25 FINANCIAL INSTRUMENTS BY CATEGORY

Group

	Loans and receivables	
	2014	**2013**
	HK$'000	*HK$'000*
Assets as per consolidated statement of financial position		
Trade and other receivables excluding prepayments	446,297	391,924
Cash and bank balances (Note 18)	3,345,672	1,501,110
Deposit — non-current	2,616	2,616
Total	3,794,585	1,895,650

	Financial liabilities at amortised cost	
	2014	**2013**
	HK$'000	*HK$'000*
Liabilities as per consolidated statement of financial position		
Bank borrowings	2,183,372	—
Construction payables	101,693	12,882
Other payables and accrued expenses — current	109,932	65,331
Total	2,394,997	78,213

Company

	Loans and receivables	
	2014	**2013**
	HK$'000	*HK$'000*
Assets as per statement of financial position		
Amount due from a subsidiary	32,201	30,392

	Financial liabilities at amortised cost	
	2014	**2013**
	HK$'000	*HK$'000*
Liabilities as per statement of financial position		
Other payables and accrued expenses	4,911	3,670

26 CONTINGENCIES

Save as disclosed in note 10 to the consolidated financial statements, there have been no significant contingencies to the consolidated financial statements.

27 COMMITMENTS — GROUP

Capital commitments

Capital expenditure of property, plant and equipment authorised by the board of directors which has not been contracted for as of 31 December 2014 amounted to nil (2013: nil).

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

	2014	**2013**
	HK'000	*HK'000*
AsiaSat 6		
Contracted but not provided for	—	272,969
AsiaSat 8		
Contracted but not provided for	—	293,062
AsiaSat 9		
Contracted but not provided for	1,279,106	1,588,587
Other assets		
Contracted but not provided for	889	3,168
	1,279,995	2,157,786

Operating lease commitments — Group company as lessee

The Group leases certain of its office under non-cancellable operating lease agreements. The lease terms are between 2 to 4 years, and the majority of lease arrangements are renewable at the end of the lease period at market rate. The lease expenditure charged to the consolidated statement of comprehensive income during the year is disclosed in Note 7.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2014	**2013**
	HK$'000	*HK$'000*
No later than 1 year	7,979	8,696
Later than 1 year and no later than 5 years	11,508	19,488
	19,487	28,184

Operating lease commitments — Group company as lessor

The Group leases its premises to certain customers under non-cancellable operating leases. The lease terms are between 2 to 6 years. The lease income recognised under ’other revenues’ in the consolidated statement of comprehensive income during the year was HK$23,574,000 (2013: HK$21,244,000).

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2014	**2013**
	HK$’000	*HK$’000*
No later than 1 year	4,229	13,140
Later than 1 year and no later than 5 years	3,901	5,257
	8,130	18,397

28 RELATED PARTY TRANSACTIONS

At 31 December 2014, the Company was directly controlled by Bowenvale Limited (incorporated in the British Virgin Islands) with total shareholdings of approximately 74%, and was indirectly owned by CITIC Group Corporation (“CITIC”) (incorporated in China) and General Electric Company (“GE”) (incorporated in the United States), which have equal voting rights in the Company. The remaining 26% of the Company’s shares were held by the public.

The following transactions were carried out with related parties:

(a) Income from provision of satellite transponder capacity

The Group has entered into a transponder master agreement with CITIC Networks Company Limited (“CITIC Networks”, a wholly owned subsidiary of CITIC) and CITIC Networks Company Limited, Beijing Satellite Telecommunications Branch (“CITICSat”, the branch established and run by CITIC Networks), under which CITIC Networks and CITICSat granted the exclusive right to the Group to provide satellite transponder capacity for use by their customers. These transactions are carried out at a rate mutually-agreed between the parties involved in the transactions. The terms of these transactions are no more favourable than those dealt with third parties.

During the year, the Group recognised income from the related parties as follows:

	2014	**2013**
	HK$’000	*HK$’000*
CITICSat	261,071	268,778

(b) Marketing expense

Pursuant to the transponder master agreement mentioned in (a) above, CITICSat conducts marketing activities in China on behalf of the Group. In return, the Group reimburses the expenditure that CITICSat incurs plus a marketing fee, which is collectively known as the marketing expense payable to CITICSat. These transactions are carried out at a rate mutually-agreed between the parties involved in the transactions. The terms of these transactions are no more favourable than those dealt with third parties.

	2014	**2013**
	HK$'000	*HK$'000*
CITICSat	9,781	10,814

(c) Key management compensation

	2014	**2013**
	HK$'000	*HK$'000*
Salaries and other short-term employee benefits	35,623	40,384
Share-based payment	6,536	5,507
	42,159	45,891

The Group made payments to a subsidiary of CITIC and a subsidiary of GE for certain Non-executive Directors representing them.

	2014	**2013**
	HK$'000	*HK$'000*
A subsidiary of CITIC	469	462
A subsidiary of GE	417	458
	886	920

(d) Year end balances arising from these transactions

	2014	**2013**
	HK$'000	*HK$'000*
Trade receivables from related parties (Note 17):		
CITICSat (Note)	204,944	170,337
Payables to related parties:		
CITICSat	3,221	2,347
Deferred revenue in relation to related parties:		
CITICSat	151,485	126,442

The receivables from and payables to related parties will be settled on a quarterly basis. The receivables and payables are unsecured in nature and bear no interest.

The above transactions were entered into on commercial terms determined and agreed by the Group and the relevant parties.

Note: Pursuant to the transponder master agreement as mentioned in Note (a) above in respect of the Group's provision of satellite transponder capacity for use by CITICSat's customers, the Group will bear any credit risk in connection with services provided to these customers. Accordingly, the Group will assess whether there is any objective evidence that the amounts ultimately due from these customers may be impaired at each year end. At 31 December 2014, a provision for impairment of HK$4,000 (2013: HK$2,416,000) was recorded and included within the provision as disclosed in Note 17.

3. INDEBTEDNESS

A. Borrowings and Guarantees

As the close of business on 28 February 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had outstanding bank borrowings of approximately US$295 million.

As at 28 February 2015, the aforesaid bank borrowings are secured by a charge on insurance claim proceeds relating to AsiaSat 6 and AsiaSat 8 satellites.

The Group has certain guarantees issued in favor of independent third parties totaling US$44,350 as at 28 February 2015.

Save as disclosed in this sub-paragraph, apart from intra-group liabilities and borrowings, the Group did not have:

(a) any debt securities issued and outstanding, and authorised or otherwise created but unissued;

(b) any other liabilities in the nature of borrowing of the Group, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments;

(c) any mortgages or charges;

(d) any guarantees and, save as disclosed in the sub-paragraph headed "B. Contingent Liabilities" in this Appendix II, any contingent liabilities.

B. Contingent Liabilities

Save as disclosed in the sub-paragraph headed "A. Borrowings and Guarantees" in this Appendix II, apart from intra-group liabilities, borrowings and normal trade and other payables, as at the close of business on 28 February 2015, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, liabilities under acceptances, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has been no material change in the Group's indebtedness position and contingent liabilities during the period from 28 February 2015 up to the Latest Practicable Date.

4. MATERIAL CHANGE

As mentioned in the Company's 2014 annual report, the Company has faced market challenges which, as expected, have continued into 2015. In addition, it is taking longer than expected to lease out the transponder capacity of AsiaSat 8, which is one of the Company's new satellites. Except for any changes resulting from the aforesaid factors, as well as the additional interest and financing costs that will be incurred in respect of the Dividend Facility if it is drawn down by the Company during 2015, and interest income forgone on the deposits to fund the Special Interim Dividend assuming it is approved by the Board and paid after the close of the Offer, the Directors have confirmed that there has been no material change in the financial or trading position or outlook of the Group since 31 December 2014, being the date to which the last published audited accounts of the Company were made up.

1. RESPONSIBILITY STATEMENTS

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this Composite Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions (other than those expressed by the Directors) expressed in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS AND DEALINGS AS REQUIRED BY THE TAKEOVERS CODE

The Offeror confirms that, as at the Latest Practicable Date:

(a) save for the 291,174,695 Shares (representing approximately 74.43% of the issued share capital of the Company) held by Bowenvale, none of the Offeror, its directors or parties acting in concert with any of them owned, controlled or was interested in any Shares or convertible securities, warrants, options or derivatives in respect of any Shares;

(b) Bowenvale (being a person acting in concert with the Offeror) owned 291,174,695 Shares or approximately 74.43% of the issued share capital of the Company (being 391,195,500 Shares);

(c) the Purchaser and each holding company of the Purchaser (being persons acting in concert with the Offeror) held a 49.50% economic interest and 50.00% voting interest in Bowenvale and, as a result, an approximately 36.84% indirect economic interest in the Company;

(d) Able Star and each holding company of Able Star (being persons acting in concert with the Offeror) held a 50.50% economic interest and 50.00% voting interest in Bowenvale and, as a result, an approximately 37.59% indirect economic interest in the Company;

(e) no member of the Offeror Group held any convertible securities, warrants or options in respect of any voting rights or rights over the Shares;

(f) there was no outstanding derivative in respect of securities in the Company entered into by any member of the Offeror Group;

(g) no member of the Offeror Group had received any irrevocable commitment to accept or reject the Offer;

(h) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;

(i) there was no agreement or arrangement to which the Purchaser and/or the Offeror is a party which relates to circumstances in which the Purchaser and/or the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;

(j) no member of the Offeror Group had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(k) no member of the Offeror Group had dealt for value in any Shares, convertible securities, warrants, or options of the Company or any derivative in respect of such securities in the six months immediately prior to the Latest Practicable Date; and

(l) save as disclosed below, none of the Offeror, its directors or parties acting in concert with the Offeror had dealt for value in any Shares or convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period:

Party	**Trade date**	**Description of transaction**	**Number and description of relevant securities**	**Highest (H) and Lowest (L) price received**
Goldman Sachs International	8 September 2014	Sold (Principal trade)	6,000 shares of Asia Satellite Telecommunications Holdings Limited	(H) HK$27.5 (L) HK$27.1

3. OTHER DISCLOSURES AS REQUIRED BY THE TAKEOVERS CODE

(a) As at the Latest Practicable Date, Encumbrances have been (and/or may be required to be) created by (a) the Offeror over, among other things, the Shares acquired by it in pursuance of the Offer or the Shares owned by it and its custody account in which Share(s) are held, in each case, from time to time, pursuant to the Share(s) Security; (b) Ganymede Parent Limited over its shares in MGO Borrower, pursuant to the MGO Borrower Share Security; and (c) MGO Borrower over its shares in the Offeror, pursuant to the Offeror Share Security. Such Encumbrances secure, among other things, all obligations and liabilities owed by MGO Borrower and the Offeror under the MGO Facilities Agreement (and related documentation). The Share(s) Security and the Indirect Share Security grant certain customary rights to the security agent with respect to, among other things, the enforcement of the Encumbrances created thereunder. Enforcement of the Encumbrances created under the Share(s) Security (for example, by way of sale of the relevant assets to a third party) could result in the transfer of, among other things, the Share(s) (and the control of voting rights with respect to the Share(s)) from the Offeror to that third party. Enforcement of the Encumbrances created under the Indirect Share Security (for example, by way of sale of the relevant assets to a third party) could result in the transfer of, among other things, the shares in MGO Borrower (in the case of the MGO Borrower Share Security) or the Offeror (in the case of the Offeror Share Security) (and the indirect control of voting rights with respect to the Share(s)) from Ganymede Parent Limited or MGO Borrower to that third party. After close of the Offer, the Offeror may consider selling down any or all of the Shares acquired by the Offeror in pursuance of the Offer to parties who would constitute the public shareholders of the Company.

(b) Save as disclosed at paragraph (a) above, as at the Latest Practicable Date, the Offeror had no intention to enter into, nor had it entered into any agreement, arrangement or understanding, to transfer, charge or pledge the Shares acquired in pursuance of the Offer to any other persons unless otherwise required by the Listing Rules or the Stock Exchange with regard to the minimum public float requirements.

(c) No benefit will be given to any Director as compensation for loss of office or otherwise in connection with the Offer.

(d) As at the Latest Practicable Date, save for the New Shareholders' Agreement and the Framework Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between any member of the Offeror Group and any Director, recent Director, Shareholder or recent Shareholder which had any connection with or was dependent upon the Offer.

(e) As at the Latest Practicable Date, there was no agreement or arrangement to which the Offeror was a party which related to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

4. QUALIFICATIONS AND CONSENT OF THE FINANCIAL ADVISERS

The following are the qualifications of the lead financial adviser and the financial adviser to the Offeror who have given opinions or advice contained or referred to in this Composite Document:

Name	Qualification
BofAML	a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), and Type 6 (advising on corporate finance) regulated activities under the SFO
Goldman Sachs	a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Goldman Sachs and BofAML have given and have not withdrawn their written consent to the issue of this Composite Document with the inclusion of the text of their letter and the references to their names in the form and context in which they appear herein.

5. MISCELLANEOUS

(a) The registered address of the Offeror is at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, Delaware, United States of America and the correspondence address of the Offeror is at 1001 Pennsylvania Avenue, NW, Washington, D.C. 20004-2505.

(b) The directors of the Offeror are Mr. David PEARSON, Mr. Thomas MAYRHOFER, Ms. Norma KUNTZ and Mr. Wayne BANNON.

(c) The principal members of the parties acting in concert with the Offeror are Bowenvale, the Purchaser, The Carlyle Group L.P., Able Star and CITIC Group.

(d) Bowenvale is jointly controlled by the Purchaser and Able Star. Able Star holds a 50.00% voting interest and a 50.50% economic interest in Bowenvale, and the Purchaser holds a 50.00% voting interest and a 49.50% economic interest in Bowenvale in aggregate.

(e) The Purchaser and the Offeror are ultimately controlled by The Carlyle Group L.P. The Carlyle Group L.P. is managed and operated by its general partner, Carlyle Group Management, LLC.. The Carlyle Group L.P. is listed on the Nasdaq Stock Exchange (ticker reference: CG). The address of The Carlyle Group L.P. is situated at 1001 Pennsylvania Avenue, NW, Washington, D.C. 20004-2505. The directors of The Carlyle Group L.P. are Mr. Daniel A. D'ANIELLO, Mr. William E. CONWAY JR., Mr. David M. RUBENSTEIN, Mr. Jay S. FISHMAN, Ms. Lawton W. FITT, Mr. James H. HANCE JR., Ms. Janet HILL, Mr. Edward J. MATHIAS, Dr. Thomas S. ROBERTSON and Mr. William J. SHAW.

(f) Able Star is a wholly owned indirect subsidiary of CITIC Limited and is ultimately controlled by CITIC Group. The directors of Able Star are Mr. JU Weimin, Mr. MI Zengxin and Mr. QIU Yiyong.

(g) CITIC Limited is a company incorporated in Hong Kong, whose shares are currently listed on the Stock Exchange (Stock code: 267) and is ultimately controlled by CITIC Group. The directors of CITIC Limited are Mr. Chang Zhenming, Mr. Wang Jiong, Mr. Dou Jianzhong, Mr. Zhang Jijing, Mr Yu Zhensheng, Mr Yang Jinming, Ms Cao Pu, Mr Liu Zhongyuan, Mr Liu Yeqiao, Mr. Alexander Reid Hamilton, Mr. Francis Siu Wai Keung, Dr Xu Jinwu, Mr Anthony Francis Neoh and Ms Lee Boo Jin. CITIC Group is a state-owned company established in the PRC. CITIC Limited is situated at 32nd Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong and CITIC Group is situated at Capital Mansion, 6 Xinyuan Nan Road, Chaoyang District, Beijing 100004, PRC.

(h) The registered office of Goldman Sachs is situated at 68/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong. The registered office of BofAML is situated at 55/F, Cheung Kong Center, 2 Queen's Road Central, Central, Hong Kong.

1. RESPONSIBILITY STATEMENTS

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (in relation to the information relating to the Group only), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (in relation to opinions expressed by the Directors only) have been arrived at after due and careful consideration and there are no other facts (in relation to the information relating to the Group and the Directors only) not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the Shares and shares in the Company's associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the Chief Executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules were as follows:

		Number of Shares/underlying Shares held in the Company							
Directors	Long or short position	Personal interests	Family interests	Corporate interests	Trusts and similar interests	Persons acting in concert	Other interests	Total	% of the issued share capital of the Company
Mr. William WADE	Long position	601,826	—	—	—	—	—	601,826	0.15
Mr. Peter JACKSON	Long position	800,264	—	—	—	—	—	800,264	0.20
Mr. James WATKINS	Long position	50,000	—	—	—	—	—	50,000	0.01

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the Chief Executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the Chief Executive of the Company had any interests in any Shares, convertible securities, warrants, options or derivatives of the Company.

(b) **Holdings of the securities of the Company**

As at the Latest Practicable Date:

(i) no subsidiaries of the Company, pension funds of the Group or advisers to the Company as specified in class (2) of the definition of "associate" in the Takeovers Code (but excluding exempt principal traders) owned or controlled any Shares, convertible securities, warrants, options or derivatives of the Company;

(ii) no shareholding in the Company was managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;

(iii) the Directors intend to reject the Offer in respect of their own beneficial holdings (where applicable) in the Shares; and

(iv) neither the Directors nor the Company had borrowed or lent any Shares, convertible securities, warrants, options or derivatives of the Company, save for any borrowed Shares which have been either on-lent or sold.

(c) **Dealings in the securities of the Company**

(i) During the Relevant Period, no Directors had dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Company.

(ii) During the period commencing from the date of the Joint Announcement and up to the Latest Practicable Date:

(A) no subsidiaries of the Company, pension funds of the Group or advisers of the Company as specified in class (2) of the definition of "associate" in the Takeovers Code (but excluding exempt principal traders) had dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Company;

(B) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1) to (4) of the definition of "associate" in the Takeovers Code had dealt for value in any Shares, convertible securities, warrants, options or derivatives of the Company; and

(C) no Shares, convertible securities, warrants, options or derivatives of the Company which were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company had been dealt for value.

(d) **Interests in the securities of the Offeror**

As at the Latest Practicable Date, neither the Directors nor the Company had any other interests in any shares, convertible securities, warrants, options or derivatives of the Offeror.

(e) **Dealings in the securities of the Offeror**

During the Relevant Period, neither the Directors nor the Company had dealt for value in any shares, convertible securities, warrants, options or derivatives of the Offeror.

(f) **Other arrangements in relation to the Offer**

As at the Latest Practicable Date:

(i) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1) to (4) of the definition of "associate" in the Takeovers Code. The Directors were not aware of any such arrangements between any other associate of the Company on one hand and other person on the other hand;

(ii) no benefit was or would be paid to any Directors as compensation for loss of office or otherwise in connection with the Offer;

(iii) there was no agreement or arrangement between any of the Directors and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and

(iv) no material contract had been entered into by the Offeror or any parties acting in concert with it in which any Director had a material personal interest.

3. INFORMATION REGARDING THE SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

(a) the authorised share capital of the Company was HK$55,000,000 comprising 550,000,000 Shares; and

(b) the issued share capital of the Company was HK$39,119,550 comprising 391,195,500 Shares.

The Company had not issued any Shares since 31 December 2014, being the end of the last financial year of the Company.

Each of the Shares ranks pari passu in all respects, including as to dividends, voting rights and capital. As at the Latest Practicable Date, there were no options, warrants or conversion rights affecting the Shares.

4. LITIGATION

Neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries or which the Company or any of its subsidiaries may become a party to as at the Latest Practicable Date.

5. MATERIAL CONTRACTS

No contracts (other than contracts in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by members of the Group within the two years immediately preceding the commencement of the Offer Period and up to and including the Latest Practicable Date which are or may be material.

6. SERVICE CONTRACTS

Mr. William Wade, an Executive Director and President and Chief Executive Officer of the Company entered into a service contract with HK Subsidiary on 1 August 2010 which can be terminated by either party in writing by giving to the other not less than twelve calendar months' notice in writing. Under such service contract, Mr. William Wade is entitled to a target bonus equivalent to 50% of his annual basic salary based on the achievement of the Company's performance targets and the successful achievement of personal goals. The fixed and the variable remuneration payable under the such service contract is HK$6,066,000 and HK$1,517,000, respectively for the year ended 31 December 2014.

Save as disclosed above, at the Latest Practicable Date, there was no service contract with the Company or any of its subsidiaries or associated companies in force for the Directors (a) which (including both continuous and fixed term contract) had been entered into or amended within six months before the commencement of the Offer Period; (b) which is a continuous contract with a notice period of 12 months or more; or (c) which is a fixed term contract with more than 12 months to run irrespective of the notice period.

7. QUALIFICATIONS AND CONSENT OF INDEPENDENT FINANCIAL ADVISER

The following are the qualifications of the Independent Financial Adviser who has given opinions or advice contained or referred to in this Composite Document:

Name	Qualification
Anglo Chinese	a corporation licensed under the SFO to carry out types 1, 4, 6 and 9 regulated activities (as defined in the SFO)

Anglo Chinese has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the text of its letter and the references to its names in the form and context in which it appears herein.

8. MISCELLANEOUS

(a) The registered address of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

(b) The company secretary of the Company is Ms. Sue Yeung, who is a member of the Institute of Chartered Accountants in England and Wales and a fellow member of Hong Kong Institute of Certified Public Accountants.

(c) The English language text of this document and the accompanying Form(s) of Acceptance and Transfer shall prevail over the Chinese language text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:00 a.m. to 5:00 p.m., Monday to Friday at (i) the principal office of the Company in Hong Kong at 12/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong; (ii) the website of the Company at www.asiasat.com; and (iii) the website of SFC at www.sfc.hk from the date of this Composite Document up to and including the Closing Date or the date on which the Offer lapses or is withdrawn (whichever is earliest):

(a) the limited liability company agreement of the Offeror;

(b) the memorandum of association and bye-laws of the Company;

(c) the annual reports containing the audited consolidated financial statements of the Company for each of the two years ended 31 December 2014 and 31 December 2013;

(d) the letter from Goldman Sachs and BofAML, the text of which is set out on pages 14 to 29 of this Composite Document;

(e) the letter from the Board, the text of which is set out on pages 30 to 38 of this Composite Document;

(f) the letter from the Independent Board Committee to the Offer Shareholders, the text of which is set out on pages 39 to 40 of this Composite Document;

(g) the letter of advice from Anglo Chinese, the text of which is set out on pages 41 to 77 of this Composite Document;

(h) the service contract referred to in the section headed "*6. Service Contracts*" in this Appendix IV;

(i) the written consents referred to in the section headed "*4. Qualifications and Consent of the Financial Advisers*" in Appendix III of this Composite Document;

(j) the written consent referred to in the section headed "*7. Qualifications and Consent of Independent Financial Adviser*" in this Appendix IV; and

(k) the MGO Facility Agreement referred to in the section headed "*THE OFFER — Confirmation of Financial Resources*" in this Composite Document.