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**ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED**

**亞洲衛星控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

*Stock Code: 1135*

**(1) AMENDMENTS TO 2007 SHARE AWARD SCHEME  
AND  
(2) ADOPTION OF 2017 SHARE AWARD SCHEME**

**(1) AMENDMENTS TO THE 2007 SCHEME**

Reference is made to the announcement made by the Company on 22 August 2007 regarding the adoption of the 2007 Scheme whereby award will be granted to qualifying employees and satisfied by existing Shares to be acquired by the Trustee through on-market transactions.

On 20 December 2017, the Board has resolved to amend the 2007 Scheme and the major amendment, among others, is the extension of the 2007 Scheme for another 10 years, with effect from the date of this announcement.

Save for the amendments specified in this announcement and other technical and cosmetic changes, no other changes have been made to the 2007 Scheme and all other terms of the 2007 Scheme remain effective.

**(2) ADOPTION OF THE 2017 SCHEME**

The Board is pleased to announce that on 20 December 2017, i.e. the Adoption Date, it has also adopted the 2017 Scheme in which all qualifying employees holding offices may participate. Pursuant to the 2017 Scheme, the Company may grant Award Shares to Eligible Employees on the Grant Date each year during the Award Period. Such Award Shares will be satisfied by new Shares to be allotted and issued by the Company to the Trustee to hold on trust for the benefits of the Eligible Employees. On vesting, Award Shares will be transferred to the Eligible Employees. The number of Shares to be awarded under the 2017 Scheme throughout its duration shall not exceed 5% of the issued Shares of the Company as at the Adoption Date.

Each of the 2007 Scheme and the 2017 Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. Therefore, no shareholders' approval is required to approve the above amendments to the 2007 Scheme and the adoption of the 2017 Scheme. This announcement is made to provide the relevant information to enhance the transparency of the management of the Company.

## **BACKGROUND**

To enhance the competitiveness of the Company in attracting and retaining the best senior staff for the development of the Company's business and to position the Company as an employer of choice, and to promote the long term financial success of the Company by aligning the interests of eligible employees and the shareholders of the Company, the Board has resolved to amend the 2007 Scheme and adopt the 2017 Scheme.

### **(1) AMENDMENTS TO THE 2007 SCHEME**

Reference is made to the announcement made by the Company on 22 August 2007 regarding the adoption of the 2007 Scheme.

On 20 December 2017, the Board has resolved to amend the 2007 Scheme as follows:

- **Duration**

The duration of the 2007 Scheme is extended for another 10 years so that, unless terminated earlier by the Board, the 2007 Scheme shall be valid for a term of 30 years commencing on the adoption date of the 2007 Scheme (i.e. 22 August 2007) but no further awards will be granted after its award period.

- **Award period**

The award period of the 2007 Scheme is extended for another 10 years so that it commenced on the adoption date of the 2007 Scheme, and will end on the day immediately prior to the 20th anniversary date of the adoption date (or in case such date is not a Business Day, the Business Day immediately thereafter).

- **Trustee**

On 16 September 2016, TMF TRUST (HK) Limited has been appointed by the Company as replacement trustee for the purpose of the trust constituted by the trust deed dated 22 August 2007 to service the 2007 Scheme.

- **Operation**

To avoid any doubt, it is clearly set out that the approval of the Board is required for qualifying employees to be entitled to participate in the 2007 Scheme as an eligible employee in respect of the grant date.

- **Vesting**

The Board shall determine from time to time the dates on which the award shares for each grant are to vest in the relevant eligible employees (i.e. the vesting date). With the extension of the 2007 Scheme, the time limit of the vesting date will be extended for another 10 years accordingly so that the vesting date shall not be later than the 28th anniversary date of the adoption date of the 2007 Scheme.

Save for the amendments specified in this announcement and other technical and cosmetic changes, no other changes have been made to the 2007 Scheme and all other terms of the 2007 Scheme remain effective.

For the avoidance of doubt, awards granted pursuant to the 2007 Scheme will be satisfied by existing Shares to be acquired by the Trustee through on-market transactions only.

## **REASONS FOR THE AMENDMENTS TO THE 2007 SCHEME**

Since the operation of the 2007 Scheme, the Board has recognized that executive directors of the Group play an important role in the success of the Group and would like to use the 2007 Scheme to enhance the flexibility of the Group to recognize and motivate their contribution. Further, the extension of the 2007 Scheme will help give flexibility to the Company to grant award shares as and when appropriate in accordance with the purpose and terms of the 2007 Scheme and based on the capital structure of the Company from time to time.

The Company believes that such amendments are beneficial to the Company and its shareholders as a whole.

## **(2) ADOPTION OF THE 2017 SCHEME**

The Board is pleased to announce that following its approval of the establishment of the 2017 Scheme, it adopted the 2017 Scheme on the Adoption Date.

Below is a summary of the 2017 Scheme:

- **Purpose**

To enhance the competitiveness of the Company in attracting and retaining the best senior staff for the development of the Company's business and to position the Company as an employer of choice, and to promote the long term financial success of the Company by aligning the interests of Eligible Employees and the shareholders of the Company.

- **Duration**

Unless terminated earlier by the Board, the 2017 Scheme shall be valid for a term of 20 years commencing on the Adoption Date but no further awards will be granted after the Award Period.

- **Administration**

The 2017 Scheme will be subject to the administration of the Board and the designated management team comprising executive staff of the Company. The Remuneration Committee will maintain an oversight of the operations of the 2017 Scheme.

- **Operation**

*Grant*

On the Grant Date of each year, each Eligible Employee (other than the CEO) will be granted Award Shares out of the total number of Award Shares calculated with reference to a percentage (as determined by the Board) multiplied by the aggregate annual base salary of all Eligible Employees (other than the CEO's) and divided by the average closing price of the Shares, immediately following the annual general meeting of the Company and up to the last business day of June in that year. The CEO will be granted such number of Award Shares as the Remuneration Committee may determine.

No Award Shares should be granted to a Connected Person of the Company without the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is a proposed recipient of the grant of Award Shares) and the Company shall not issue or allot new Shares to satisfy Award Shares granted to Connected Persons without, where required, the approval by disinterested shareholders of the Company in accordance with all applicable laws and regulations (including but not limited to the Listing Rules).

All Award Shares which may be granted under the 2017 Scheme are conditional upon:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, such new Shares; and
- (ii) a general mandate is available to the directors of the Company to issue and allot new Shares to the extent that may be required to satisfy such Grants or a specific mandate is granted by the shareholders of the Company to the directors of the Company to issue and allot such Shares that may be issued and allotted to satisfy the Grants.

*Vesting*

Subject to the rules of the 2017 Scheme, the Board shall determine the dates on which the Award Shares for each Grant are to vest in the relevant Eligible Employees, and initially the Board determines that the Award Shares held by the Trustee upon the Trust shall 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. Vesting of Award Shares is conditional upon the relevant Eligible Employee executing and returning the prescribed transfer documents to effect the transfer of the Award Shares from the Trustee.

- **Timing of Grant**

No Award Shares shall be made to Eligible Employees and no directions or recommendation shall be given to the Trustee with respect to a Grant under the 2017 Scheme where (i) any director or member of Management is in possession of unpublished inside information in relation to the Company or where dealings in Shares by directors or officers are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations; (ii) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (iii) during the 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

- **Forfeiture**

A grant of Award Shares under the 2017 Scheme shall be forfeited if an Eligible Employee ceases to be an Employee for reasons other than:

- (a) death;
- (b) retirement;
- (c) the Subsidiary by which an Eligible Employee is employed ceases to be a subsidiary of the Company;
- (d) winding-up of the Company; or
- (e) redundancy by the Company or the relevant Subsidiary,

in which case all the outstanding Grants under the 2017 Scheme that are not yet vested shall vest immediately.

The Trustee shall hold the unvested or forfeited Shares to be applied in accordance with the rules of the 2017 Scheme for the purpose of the 2017 Scheme.

- **Scheme Limit**

The number of Shares to be awarded under the 2017 Scheme throughout its duration shall not exceed 5% of the total number of issued Shares of the Company as at the Adoption Date.

The maximum number of Award Shares which may be granted to an Eligible Employee but unvested under the 2017 Scheme shall not exceed 1% of the total number of issued Shares as at the Adoption Date.

Unless separately approved by the shareholders of the Company, the Company's Connected Persons' aggregate interest in the Trust shall be less than 30%. Where any further issuance and allotment of new Shares to the Trustee to hold on trust for any Connected Persons of the Company will result in the Company's Connected Persons' aggregate interest in the Trust being 30% or more, such further grant of Award Shares shall be separately approved by disinterested shareholders of the Company in general meeting with such Connected Persons and their associates abstaining from voting. The Company shall, in such case, send a circular to its shareholders and the circular shall disclose the identity of such Connected Persons, the number and terms of the Award Shares to be granted to the Trustee to hold on trust for such Connected Persons (and Award Shares previously granted to the Trustee to hold on trust for such Connected Persons) and other information required to be disclosed under the Listing Rules (including Chapter 14A of the Listing Rules applicable to connected transactions). The number and terms of the Award Shares to be granted to the Trustee to hold on trust for such Connected Persons shall be fixed before the disinterested shareholders' approval.

- **Voting rights**

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

- **Change in control or privatisation**

In an event of change in control of the Company by way of merger, or a privatisation of the Company by way of a scheme of arrangement or by way of an offer, all the outstanding Grant not yet vested shall vest immediately.

- **Rights issue, bonus warrants, scrip dividend and special dividend**

*Rights issue* : unless otherwise instructed by the Company, the Trustee shall sell the nil-paid rights allotted to it and shall hold the net proceeds of sale of such rights as funds of the Trust.

*Bonus warrants* : unless otherwise instructed by the Company, the Trustee shall sell the bonus warrants created and granted to it and shall hold the net proceeds of sale of such bonus warrants as funds of the Trust.

*Scrip dividend* : the Trustee shall elect to receive scrip Shares and such Shares will be held as Returned Shares.

*Special dividend* : in the event the Company pays any special dividend (i.e. dividend paid out of retained profits or capital rather than out of current profits of the Company) in cash, the Trustee shall hold the proceeds of such dividend as funds of the Trust. In the event such special dividend is paid by way of a distribution in specie, the Trustee shall follow the recommendation of the Remuneration Committee and shall either sell such distribution in specie and hold the proceeds from such sale on the Trust or continue to hold such distribution in specie, which shall be deemed to form part of the Award Shares to which the distribution relates and shall be held on the Trust accordingly.

- **Termination**

The 2017 Scheme shall terminate on the earlier of the 20th anniversary date of the Adoption Date, and such earlier date as determined by the Board provided that such termination shall not affect any subsisting rights of any Eligible Employee under the 2017 Scheme.

On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Grant made or can be made under the 2017 Scheme, the Trustee shall sell all the Shares remaining in the Trust, and shall remit all the relevant cash and net proceeds of sale (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company.

## **LISTING RULES IMPLICATIONS**

Each of the 2007 Scheme and the 2017 Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. Therefore, no shareholders' approval is required to approve the above amendments to the 2007 Scheme and the adoption of the 2017 Scheme. This announcement is made to provide the relevant information to enhance the transparency of the management of the Company.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Adoption Date”	20 December 2017, being the date on which the Board adopted the 2017 Scheme;
“associate(s)” and “Connected Person(s)”	shall have the meaning as ascribed to it under the Listing Rules;
“Award Period”	the period commencing on the Adoption Date, and ending on the day immediately prior to the 10th anniversary date of the Adoption Date (or in case such date is not a Business Day, the Business Day immediately thereafter);
“Award Shares”	the Shares granted to an Eligible Employee pursuant to the rules of the 2017 Scheme;
“Board”	the board of directors of the Company;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“CEO”	the president and chief executive officer of the Subsidiary from time to time;

“Company”	Asia Satellite Telecommunications Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange;
“Eligible Employee(s)”	in respect of any Grant Date, any Employee qualified and approved for participation in accordance with the provisions of the 2017 Scheme, any person who is an executive director of the Company or its Subsidiary, and the CEO;
“Employee”	any person employed by the Company or its Subsidiary. An Employee shall not cease to be an Employee in the case of any transfers of employment between the Company and its Subsidiary;
“Grant”	the grant of Award Shares to Eligible Employees by the Company pursuant to the 2017 Scheme;
“Grant Date”	in respect of any Grant Date, 1 July of the relevant year, or in case such date is not a Business Day, the Business Day immediately thereafter;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management”	executive staff of the Company as designated by the Board from time to time to operate the 2017 Scheme;
“Remuneration Committee”	the remuneration committee of the Company;
“Returned Shares”	such Award Shares which are not vested and/or are forfeited in accordance with the terms of the 2017 Scheme, or such Shares being deemed to be Returned Shares under the terms of the rules of the 2017 Scheme;
“Shares”	ordinary shares of HK\$0.10 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	Asia Satellite Telecommunications Company Limited or any subsidiary(ies) of the Company from time to time;
“Trust”	the trust constituted by the Trust Deed to service the 2017 Scheme;

“Trust Deed”	a trust deed dated 20 December 2017 entered into between the Company and the Trustee;
“Trustee”	TMF TRUST (HK) Limited;
“2007 Scheme”	the share award scheme rules adopted by the Company on the 22 August 2007;
“2017 Scheme”	the share award scheme rules adopted by the Company on the Adoption Date; and
“%”	per cent.

By order of the Board of  
**Asia Satellite Telecommunications  
Holdings Limited**  
**Sue YEUNG**  
Company Secretary

Hong Kong, 20 December 2017

*As at the date of this announcement, the Board comprises 11 directors. The Executive Director is Mr. Andrew G. JORDAN. The Non-executive Directors are Mr. JU Wei Min (Chairman), Mr. Gregory M. ZELUCK (Deputy Chairman), Mr. LUO Ning, Mr. Peter JACKSON, Mr. Julius M. GENACHOWSKI and Mr. Herman CHANG Hsiunguo. The Independent Non-executive Directors are Mr. Marcel R. FENEZ, Mr. Stephen LEE Hoi Yin, Mr. Steven R. LEONARD and Ms. Maura WONG Hung Hung. The Alternate Director is Mr. CHONG Chi Yeung (alternate to Mr. LUO Ning).*

*\* For identification purpose only*