
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer 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 forward this Circular with the enclosed proxy form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

PROPOSED GRANT OF GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,

ADOPTION OF SHARE OPTION SCHEME,

RE-ELECTION OF RETIRING DIRECTORS

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Asia Satellite Telecommunications Holdings Limited to be held at 12th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 14 June 2017 at 10:00 a.m. is set out on pages 16 to 27 of this Circular.

If you are not able to attend and/or vote at the annual general meeting in person, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

* *for identification purpose only*

12 May 2017

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DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme is adopted by an ordinary resolution by the shareholders of the Company
“AGM”	the annual general meeting of the Company to be held at 12th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 14 June 2017 at 10:00 a.m. and any adjournment thereof
“Annual Report”	the annual report of the Company for the year ended 31 December 2016
“AsiaSat”	Asia Satellite Telecommunications Company Limited, an indirect wholly-owned subsidiary of the Company, incorporated under the laws of Hong Kong
“Board”	The board of Directors
“Bye-laws”	Bye-laws of the Company as may be amended from time to time
“Carlyle”	The Carlyle Group L.P. and its affiliates
“CITIC Group”	CITIC Group Corporation, an enterprise established and existing under the laws of the People’s Republic of China
“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
“Director(s)”	director(s) of the Company
“General Mandates”	collectively the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	the proposed mandate to allot, issue and deal with additional Shares not exceeding 10% of the total number of issued shares of the Company as the date of passing the resolution approving the said mandate
“Latest Practicable Date”	8 May 2017, being the latest practicable date for ascertaining certain information in this Circular prior to the printing of this Circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Share Options”	the share options granted to Mr. Andrew G. Jordan, an Executive Director, the President and Chief Executive Officer entitling him to subscribe for 2,956,130 Shares at HK\$12.50 per Share
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix II to this circular
“Repurchase Mandate”	the proposed mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of issued shares of the Company as the date of the resolution approving the said mandate
“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 HK\$0.10 each in the number of shares in issue of the Company
“Shareholder(s)”	holder(s) for the time being of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Future Commission

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Asia Satellite Telecommunications Holdings Limited

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(Incorporated in Bermuda with limited liability)

(Stock Code: 1135)

Chairman:
JU Wei Min

Deputy Chairman:
Gregory M. ZELUCK

Executive Director:
Andrew G. JORDAN

Non-executive Directors:
LUO Ning
Peter JACKSON
Julius M. GENACHOWSKI
Alex S. YING

Independent Non-executive Directors:
Stephen LEE Hoi Yin
Maura WONG Hung Hung
Marcel R. FENEZ
Steven R. LEONARD

Alternate Director:
CHONG Chi Yeung (alternate to LUO Ning)

Company Secretary:
Sue YEUNG

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

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

12 May 2017

To Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES,**

ADOPTION OF SHARE OPTION SCHEME,

RE-ELECTION OF RETIRING DIRECTORS

AND

NOTICE OF ANNUAL GENERAL MEETING

* for identification purpose only

LETTER FROM THE BOARD

1. INTRODUCTION

On 16 June 2016, general mandates were given to the Directors to issue Shares and to exercise all the powers of the Company to repurchase its Shares. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to issue Shares and to repurchase Shares at the AGM.

The purpose of this Circular is to provide you with information in relation to the resolutions to be proposed at the AGM for the approval of (i) the proposed granting of general mandates to the Directors to issue and to repurchase Shares, (ii) adoption of Share Option Scheme; and (iii) the proposed re-election of retiring Directors.

2. PROPOSED GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

Ordinary resolutions will be proposed at the AGM to authorise the Directors, *inter alia*, (i) to exercise the powers of the Company to allot and issue Shares not exceeding 10% of the total number of issued shares of the Company as at the date of the passing of such resolutions; (ii) to repurchase Shares not exceeding 10% of the total number of issued shares of the Company, as at the date of the passing of such resolution; and (iii) to extend the general mandate to issue the Shares by the number of Shares purchased under the Repurchase Mandate.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the General Mandates are granted at the AGM. The General Mandates provide the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily. However, as at the Latest Practicable Date, the Directors have no plan for raising capital, by issuing any new Shares, for any business purposes.

Subject to the passing of the resolution regarding the Issue Mandate and on the basis of 391,195,500 Shares in issue at the Latest Practicable Date and assuming no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company will be allowed to allot and issue a maximum of 39,119,550 Shares, being 10% of the issued share capital of the Company as at the date of passing the relevant resolution at the AGM.

An explanatory statement providing all information required under the Listing Rules concerning the Repurchase Mandate is set out in the Appendix I to this Circular.

If the Company conducts a Share consolidation or subdivision after the General Mandates are granted, the maximum number of Shares that may be (i) repurchased under the Repurchase Mandate; and (ii) issued under the Issue Mandate as a percentage of the total number of issued Shares as the date immediately before and after such consolidation or subdivision shall be the same.

LETTER FROM THE BOARD

3. ADOPTION OF SHARE OPTION SCHEME AND GRANT OF SHARE OPTIONS TO THE EXECUTIVE DIRECTOR AND THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

References are made to the announcements of the Company dated 14 October 2016 and 16 November 2016 in relation to granting options to Mr. Andrew G. Jordan, an Executive Director and the President and Chief Executive Officer entitling him to subscribe for 2,956,130 Shares at HK\$12.50 per Share (the “**Share Options**”). The grant of share options is analogous to the granting of a share option under a share option scheme (the “**Share Option Scheme**”) governed by Chapter 17 of the Listing Rules and is conditional upon (i) the passing of the necessary ordinary resolution to adopt the Share Option Scheme by the Shareholders at the AGM; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be issued upon the exercise of the Share Options. The purpose of the granting of the Share Options is to retain Mr. Jordan for the development of the Group’s business. Both the Share Options and the Share Option Scheme are valid for a term of 10 years and will expire on 13 October 2026. The principal terms of the Share Option Scheme are set out in Appendix II to this circular. A copy of the letter granting the Share Options to Mr. Jordan is available for inspection at the principal place of business of the Company in Hong Kong at 12/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong, during normal business hours from the date hereof up to the date of the AGM.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the new Shares which may fall to be issued upon the exercise of share options under the Share Option Scheme.

4. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 110(A) of the Company’s Bye-laws, Mr. Ju Wei Min, Mr. Julius M. Genachowski and Mr. Stephen Lee Hoi Yin will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

In accordance with Bye-law 101 of the Company’s Bye-laws, Mr. Andrew G. Jordan, who was appointed as an Executive Director, Mr. Marcel R. Fenez and Mr. Steven R. Leonard, who were appointed as the Independent Non-executive Directors (“**INEDs**”) after the last AGM will retire and, being eligible, offer themselves for re-election.

Mr. Stephen Lee Hoi Yin, being INED, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Marcel R. Fenez and Mr. Steven R. Leonard have also confirmed to the Board of confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board is of the view that Mr. Lee, Mr. Fenez and Mr. Leonard meet the independence guidelines set out in the Listing Rules.

All directors are appointed for a specific term of three years and are subject to retirement, rotation and re-election at the Company’s AGM in accordance with the Company’s Bye-laws.

LETTER FROM THE BOARD

Brief biographical and other details of the retiring Directors offering themselves for re-election, which are required to be disclosed under the Listing Rules, are set out in the explanatory notes to Appendix III in this Circular.

5. ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix III to this Circular.

6. VOTING BY POLL AT THE AGM

According to the rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

A proxy form for use at the AGM is enclosed with this Circular. If you are not able to attend and/or vote at the AGM in person, you are requested to complete and return the proxy form enclosed with this Circular in accordance with the instructions printed thereon to the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting at the AGM, or any adjournment thereof, should you so wish.

An announcement will be made by the Company following the conclusion of the AGM to inform you of the poll results.

7. RECOMMENDATIONS

The Directors consider that the granting of the Issue Mandate and the Repurchase Mandate, adoption of Share Option Scheme and re-election of the retiring Directors are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the shareholders vote in favour of all resolutions to be proposed at the AGM.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules on the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

9. MISCELLANEOUS

Mr. Jordan, who is materially interested in the Share Option Scheme, and his associates will abstain from voting on the resolution to be proposed at the AGM to approve the adoption of the Share Option Scheme. Save for the above, as at the Latest Practicable Date, to the extent that the Company was aware of having made all reasonable enquiries, no other Shareholder was required to abstain from voting under the Listing Rules on any of the proposed resolutions as set out in the notice of the AGM.

The English text of this Circular and the accompanying proxy form shall prevail over the Chinese text in case of inconsistency.

Yours faithfully
By order of the Board
JU Wei Min
Chairman

This Appendix contains information required under the Listing Rules to be included in an explanatory statement to accompany the notice of a general meeting at which a resolution is to be proposed in relation to the repurchase by the Company of its own Shares. Its purpose is to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolutions approving the Repurchase Mandate at the AGM.

1. SHARE BUY BACK RULES

The Share Buy Back Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully paid-up shares on the Stock Exchange, or on another stock exchange recognised for this purpose by the SFC and the Stock Exchange.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 391,195,500 Shares.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 39,119,550 Shares, representing 10% of the total number of issued shares of the Company as at the date of passing the relevant resolution at the AGM.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

4. SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction. The Shares to be repurchased must be fully paid up.

5. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may fund the repurchase entirely from the Company's available cash flow or working capital facilities legally available for such purpose in accordance with its Bye-laws and the applicable laws of Bermuda. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital requirements of the Company or gearing level of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2016 as set out in the Company's Annual Report) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months immediately prior to the Latest Practicable Date were as follows:

	Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
May	11.10	10.10
June	11.30	10.10
July	11.50	10.74
August	11.34	10.12
September	11.20	10.36
October	11.00	10.40
November	10.60	9.30
December	10.20	9.66
2017		
January	9.76	9.30
February	9.85	9.32
March	9.85	9.45
April	9.59	9.33
May (up to the Latest Practicable Date)	9.45	9.25

7. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the ordinary resolution and in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares in the Company to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders of the Company.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. TAKEOVERS CODE

If on exercise of the powers to repurchase Shares by the Company pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

As at the Latest Practicable Date, Bowenvale Limited ("**Bowenvale**"), which is indirectly owned by CITIC Group and Carlyle, held an aggregate 291,174,695 Shares, representing approximately 74.43% of the total number of issued shares of the Company. For the purpose of the SFO, CITIC Group and Carlyle are taken to be interested in the same 291,174,695 Shares. The interests deemed to be held by the above companies together with other deemed interests in the Shares for the purpose of the SFO are more particularly described in the Annual Report. To the best of the knowledge and belief of the Directors, no other person, together with his/her associates, was beneficially interested in Shares representing 10% or more of the total number of issued shares of the Company.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the ordinary resolution, then (if the present shareholdings otherwise remained the same) the interest of Bowenvale and the deemed interests of CITIC Group and Carlyle in the Company would be increased to approximately 82.70% of the total number of issued shares of the Company. However, the Company has no intention to exercise the Repurchase Mandate to such extent to reduce the public float to below 25%. In the opinion of the Directors, such an increase would not of itself give rise to an obligation on the part of CITIC Group and/or Carlyle to make a mandatory general offer under Rules 26 and 32 of the Takeover Code.

9. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the 6 months preceding the date of this document.

The following is a summary of the principal terms of the rules of the Share Option Scheme proposed to be adopted at the AGM.

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to retain Mr. Andrew G. Jordan, an Executive Director and President and Chief Executive Officer for the development of the Group's business.

The Board believes that the exercise period, vesting conditions and vesting period of the options granted under the Share Option Scheme will serve to achieve the purposes of retaining and motivating Mr. Jordan to contribute to the Company.

2. WHO MAY JOIN

The sole eligible participant to the Share Option Scheme is Mr. Jordan. The basis of eligibility was determined by the Board on the basis of the contribution that Mr. Jordan may bring to the development and growth of the Group.

3. DATE OF GRANT

14 October 2016. The grant of Share Options has been approved by the INEDs of the Company conditional upon (i) the passing of the necessary ordinary resolution to adopt the Share Option Scheme by the Shareholders at the AGM; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be issued upon the exercise of the Share Options.

4. ISSUE PRICE

The Share Options were granted to Mr. Jordan as part of his remuneration under the terms of the service contract entered into between AsiaSat and Mr. Jordan on 14 October 2016 incidental to his appointment as the President and Chief Executive Officer of AsiaSat and the Company and no separate issue price was payable for the grant.

5. EXERCISE PRICE

HK\$12.50 per Share which represents:

- (i) a premium of approximately 19.0% over the closing price of HK\$10.50 per Share as quoted on the Stock Exchange on 14 October 2016;
- (ii) a premium of approximately 18.7% over the closing price of HK\$10.532 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 14 October 2016;

- (iii) a premium of approximately 32% over the closing price of HK\$9.45 per Share as quoted on the Stock Exchange on 2 May 2017; and
- (iv) a premium of approximately 32% over the closing price of HK\$9.45 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 2 May 2017.

The exercise price was determined based on arm's length between Mr. Jordan and the Company with reference to typical terms set for an incentive share options award.

6. NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION UNDER THE SHARE OPTION SCHEME

As the sole eligible participant under the Share Option Scheme is Mr. Jordan and Share Options available under the Share Option Scheme are granted to Mr. Jordan only, the total number of shares which may be issued upon exercise of all options granted under the Share Option Scheme, namely the Share Options, is 2,956,130 Shares, representing approximately 0.76% of the number of issued shares of the Company as at 14 October 2016 or 0.75% on a fully diluted basis.

7. VALUE OF ALL OPTIONS GRANTED UNDER THE SHARE OPTION SCHEME

The aggregate nominal value of the Shares to be issued upon exercise of the all the options granted under the Share Option Scheme, namely the Share Options, will be HK\$295,613.

The Company adopted the Binomial valuation model to determine the value of the Share Option granted to Mr. Jordan. The significant inputs into the model were the closing share price of HK\$10.50 at the grant date, which was 14 October 2016, exercise price of HK\$12.50 per option, volatility of 27%, dividend yield of 3%, an expected option life of ten years and an annual risk-free interest rate of 1.05%. As all the Share Options have been granted under the Share Option Scheme at grant date, there will be no change in the fair value of the Share Options at the grant date and that of at the Latest Practical Date assuming all share options that can be granted under the Share Option Scheme prior to the approval. The fair value of the Share Options is HK\$1.82 per option.

The Remuneration Committee will be responsible for administering the Share Option Scheme. There are no trustees appointed for the purpose of the Share Option Scheme.

8. EFFECT OF REORGANISATION OF CAPITAL STRUCTURE OF THE COMPANY

Pursuant to the terms of the Share Option Scheme, the Board may adjust the exercise price of the Share Options in the event of any alteration in the capital structure of the Company, whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company.

In respect of any such adjustments to the exercise price (other than an adjustment arising from a capitalisation issue), the auditors for the time being of the Company or independent financial advisor appointed by the Company shall certify in writing to the Board that any such adjustments satisfy the requirements under Chapter 17 of the Listing Rules and provided that any such adjustment shall give Mr. Jordan the same proportion of the issued share capital as that to which he was previously entitled, but not so that the effect would be to enable any Share to be issued to him at less than its nominal value.

Any adjustment arising from an issue of securities with a price-dilutive element, such as rights issue, open offer or capitalisation issue, shall be made in compliance with the requirements under Rule 17.03(13) of the Listing Rules and should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the supplementary guidance in the letter issued by the Stock Exchange dated 5 September 2005 and such other relevant guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time.

9. PERFORMANCE TARGETS, EXERCISE PERIOD, VESTING CONDITIONS AND VESTING PERIOD OF THE SHARE OPTIONS

20% of the options granted under the Share Option Scheme shall be vested at the end of each calendar year for 5 years commencing from 2017, provided that the vesting in any calendar year is conditional upon (i) AsiaSat having achieved its performance targets as set by the Board for that calendar year, and (ii) Mr. Jordan's continued service with AsiaSat during that calendar year.

Vested options granted under the Share Option Scheme shall be exercisable at the time of vesting or at any time thereafter until the occurring of the following events, whichever is earlier:

- (i) within 6 months of the termination of Mr. Jordan's employment or retirement in accordance with the services contract between the Group and Mr. Jordan;
- (ii) on the termination of Mr. Jordan's employment if such termination does not require the Group to provide a notice period or payment in lieu of notice to Mr. Jordan; or
- (iii) expiry of the validity period of the Share Option Scheme as described in paragraph 10 below.

10. VALIDITY PERIOD OF THE SHARE OPTION SCHEME

The Share Option Scheme shall be valid and effective for a period of 10 years commencing from 14 October 2016 with the expiry date on 13 October 2026. The Share Option Scheme will be terminated before the expiry date if (i) six months from the date of the termination of employment or retirement in accordance with the services contract between the Group and Mr. Jordan; or (ii) on the date of termination of Mr. Jordan's employment if such termination does not require the Group

to provide a notice period or payment in lieu of notice to Mr. Jordan. Any options granted under the Share Option Scheme shall lapse automatically and not exercisable (to the extent not already exercised) on the expiry of the Share Option Scheme on 13 October 2026.

11. CANCELLATION OF OPTIONS

Pursuant to the terms of the Share Option Scheme, there is no provision for the cancellation of options granted but not yet exercised. However, subject to the consent from Mr. Jordan, the Board may at its discretion cancel options granted to, but not yet exercised by Mr. Jordan.

12. RIGHTS ATTACHING TO THE OPTIONS UNDER THE SHARE OPTION SCHEME

The Share Options do not carry any right to vote at general meetings of the Company, or any dividend, transfer or other rights (including those arising on the winding-up of the Company).

The Share Options are personal to Mr. Jordan and shall not be transferable or assignable.

13. RIGHTS ATTACHING TO THE UNDERLYING SHARES

The Shares allotted upon the exercise of an option will be subject to all the provision of the Bye-laws of the Company and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holder to participate in all dividends or other distributions paid or made on or after the date of allotment provided that the record date for the dividend or distribution is a date after the date of allotment. A Share allotted upon the exercise of an option shall not carry voting rights until the completion of the registration of the holder on the register of members of the Company as the holder thereof.

14. ALTERATION TO THE SHARE OPTION SCHEME

The Share Option Scheme may be altered in any respect by resolution of the Board except that the following shall not be altered without the prior sanction of a resolution of the Company in general meeting: (a) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of Share Options (except where the alterations take effect under the existing terms of the Share Option Scheme); (b) any alteration to the provisions of the Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Mr. Jordan; (c) any change to the authority of the Remuneration Committee in relation to any alteration to the terms of the Share Option Scheme, provided always that the amended terms of the Share Option Scheme shall comply with the applicable requirements of the Listing Rules.

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Asia Satellite Telecommunications Holdings Limited (the “**Company**”) will be held at 12th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 14 June 2017 (Wednesday) at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

- (1) To receive and approve the audited consolidated financial statements and the reports of the Directors and auditor of the Company for the year ended 31 December 2016.
- (2) To declare a final dividend of HK\$0.20 per share for the year ended 31 December 2016.
- (3) To re-elect Directors and authorise the Board to fix their remuneration.
- (4) To re-appoint PricewaterhouseCoopers as auditor of the Company and authorise the Board to fix their remuneration for the year ended 31 December 2017.

As a special business, to consider and, if thought fit, to pass with or without modifications, the following resolutions as ordinary resolutions of the Company:

- (5) **“THAT:**
 - (A) subject to paragraph (5)(B) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;

* for identification purpose only

(B) the aggregate number of Shares allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Directors pursuant to the approval in paragraph (5)(A) above, otherwise than pursuant to:

- (i) a Rights Issue; or
- (ii) the exercise of any options granted under the Company's share option scheme, and/or any issue of Shares upon the granting of award shares in the Company's share award scheme; or
- (iii) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares;

shall not exceed the aggregate of:

- (a) 10% of the total number of issued shares of the Company as at the date of passing this resolution; and
- (b) (if the Directors are so authorised by a separate resolution of the Shareholders) the aggregate number of Shares of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the total number of issued shares of the Company as at the date of this resolution);

and the said approval shall be limited accordingly; and

(C) for the purpose of this resolution:

- (i) "Relevant Period" means the period from (and including) the date of passing of this resolution until the earlier of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or by any applicable law to be held; and
 - (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting;

- (ii) “Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company); and
 - (iii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”
- (6) **“THAT:**
- (A) subject to paragraph (6)(B) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase Shares on the Stock Exchange or of any other stock exchange on which the Shares may be listed and recognised for this purpose by the SFC and the Stock Exchange for such purpose, in accordance with all applicable laws in this regard, be and is hereby generally and unconditionally approved;
 - (B) the aggregate number of Shares which may be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (6)(A) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
 - (C) for the purposes of this resolution:
 - (i) “Relevant Period” means the period from (and including) the passing of this resolution until the earlier of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or by any other applicable law to be held; and
 - (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting; and

- (ii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”
- (7) “**THAT**, conditional on the passing of Resolutions (5) and (6) above, the General Mandate granted to the Directors of the Company to allot, issue and otherwise deal with additional Shares and to make or grant offers, agreements, options, warrants, and other securities which might require the exercise of such power pursuant to Resolution (5) be and is hereby extended by the addition thereto of an amount representing the total number of issued shares of the Company repurchased by the company under the authority granted pursuant to Resolution (6), provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing the resolution.”
- (8) “**THAT**
- (a) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, 2,956,130 shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company falling to be issued pursuant to the letter granting share options of the Company to Mr. Jordan (the “**Share Option Scheme**”), which is marked “A” and has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification, the Share Option Scheme be and is hereby approved and adopted by the Company; and
- (b) the directors of the Company be and are hereby authorised:
- (i) to administer the Share Option Scheme at their absolute discretion;
- (ii) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Listing Rules;
- (iii) to allot, issue and deal with any Shares pursuant to the exercise of the subscription rights attached to the options granted under the Share Option Scheme in accordance with the terms of the Share Option Scheme; and
- (iv) to do all such acts as they may in their absolute discretion consider necessary, desirable or expedient in order to give full effect to the Share Option Scheme.”

By order of the Board
Sue YEUNG
Company Secretary

Hong Kong, 12 May 2017

Explanatory Notes to the Notice of Annual General Meeting:***Proxy Information***

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form must be delivered to the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the meeting or adjourned meeting (or 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting). If a proxy form is signed under a power of attorney, the power of attorney or other authority relied on to sign (or a copy which has been certified by a notary or an office copy) must be delivered to the Company's share registrar with the proxy form, except that the power of attorney which has already been registered with the Company need not be so delivered. Proxy forms sent electronically or by any other data transmission process will not be accepted. ***Completion and return of proxy form will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish.***

Dividends and Closure of Register

3. For the purpose of ascertaining members' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 8 June 2017 to Wednesday, 14 June 2017 (both days inclusive), during which period no transfer of shares in the Company will be allowed. In order to be eligible to attend and vote at the AGM to be held on Wednesday, 14 June 2017, all share transfer documents accompanied by the relevant share certificates, have to be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 7 June 2017.
4. The Board has recommended a final dividend of HK\$0.20 per share (the "Final Dividend") for the year ended 31 December 2016, if such dividends are declared by the shareholders by passing Resolution (2), it is expected to be paid on or about Thursday 6 July 2017 to those shareholders whose names appeared on the Company's register of members on Monday, 26 June 2017. For the purpose of determining the entitlement to proposed final dividend, the register of members of the Company will be closed from Thursday, 22 June 2017 to Monday, 26 June 2017 (both days inclusive), during which period no transfer of shares in the Company will be allowed. All share transfer documents accompanied by the relevant share certificates, have to be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Wednesday, 21 June 2017.

Directors

Particulars of retiring Directors subject to re-election at the AGM are set out below.

5. **Mr. JU Wei Min**

JU Wei Min, aged 53, was appointed Non-executive Director (“NED”) on 12 October 1998 and was re-designated as a Chairman of the Company on 1 January 2016. Mr. Ju is Executive Vice President of China Investment Corporation. He was formerly Vice President and Chief Financial Officer of CITIC Limited, Chairman of CITIC Trust Co., Ltd. and CITIC Resources Holdings Co., Ltd. and a NED of CITIC Securities Company Limited. CITIC Limited, CITIC Resources Holdings Co., Ltd. and CITIC Securities Company Limited are Hong Kong listed companies. He has over 20 years’ experience in financial services industry and conglomerate management, especially in corporate finance, risk management and investment. He holds a Bachelor’s Degree and Master’s Degree in Economics.

Save as disclosed above, Mr. Ju has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being a NED, he is also a director in a number of members of the Group. As at the Latest Practicable Date, he is not interested in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. Ju and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director fee of HK\$218,000 was paid to Mr. Ju for the year ended 31 December 2016. His remuneration has been determined by the Board with reference to his duties and responsibilities with the Company and the remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Ju’s appointment.

6. **Mr. Julius M. GENACHOWSKI**

Julius M. GENACHOWSKI, aged 54, was appointed as a NED of the Company on 19 May 2015. Mr. Genachowski is a Managing Director in The Carlyle Group, focusing on acquisitions and growth investments in global technology, media and telecom, including Internet and mobile. He is based in Washington, DC. He returned to the private sector after serving as Chairman of the U.S. Federal Communications Commission (FCC) from 2009 to 2013. He presided at the FCC during a period of robust innovation and investment around communications technology and software, including wired and wireless broadband applications, devices and networks. Prior to his FCC appointment, he worked for more than a

decade in the private sector. As a senior executive and member of the Office of the Chairman, he helped build IAC/InterActiveCorp, which owned and operated multiple Internet, media and digital commerce businesses. He has taught a joint class at Harvard's Business and Law Schools, and served as a Senior Fellow at the Aspen Institute and is currently a board member of MasterCard Inc., Sprint, Sonos, Syniverse, and ProKarma. He graduated with highest honors from Columbia College in 1985 and Harvard Law School in 1991.

Save as disclosed above, Mr. Genachowski has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being a NED, he is also a director in a number of members of the Group. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. Genachowski and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director fee of HK\$109,000 was paid to Mr. Genachowski for the year ended 31 December 2016. His remuneration has been determined by the Board with reference to his duties and responsibilities with the Company and the remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Genachowski's appointment.

7. **Mr. Stephen LEE Hoi Yin**

Stephen LEE Hoi Yin, aged 57, was appointed INED of the Company on 6 March 2013. Mr. Lee has over 30 years' experience in accounting, auditing and financial management, at KPMG in London and Hong Kong. He was an audit partner of KPMG Hong Kong before becoming the partner-in-charge of the risk & compliance advisory practices of KPMG in respect of Hong Kong, the PRC and the Asia Pacific region. He retired from KPMG in 2011, and is currently serving as an Adjunct Associate Professor at The Chinese University of Hong Kong and as President of The Institute of Internal Auditors Hong Kong Limited. He was awarded a Bachelor of Arts (Hons) degree in Accountancy from City of London Polytechnic in 1981. He is an associate member of The Institute of Chartered Accountants in England and Wales and The Institute of Internal Auditors, and a fellow member of The Hong Kong Institute of Certified Public Accountants. He is a Member of the Board of the Hospital Authority Hong Kong and an INED of Chiyu Banking Corporation Limited and Prime Property Fund Asia GP Pte Limited.

Save as disclosed above, Mr. Lee has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and is not related to any director, senior management, substantial shareholders or

controlling shareholders of the Company. Apart from being an INED, he does not hold any directorship in any members of the Group. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. Lee and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director fee of HK\$399,000 was paid to Mr. Lee for the year ended 31 December 2016. His remuneration has been determined by the Board with reference to his duties and responsibilities with the Company and the remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Lee's appointment.

8. **Mr. Andrew G. JORDAN**

Andrew G. JORDAN, aged 57, was appointed President and Chief Executive Officer of the Company on 1 November 2016. Mr. Jordan has over 25 years of experience in the satellite industry. He started his career in 1984 in the computer software industry as a sales executive before being promoted to regional manager based in Singapore. He acted as the General Manager in Marketing of AsiaSat from 1991 to 1993. He has held executive positions with several satellite operators including General Electric's GE Satellite. During the period from 2013 to October 2016, he held the position of Executive Vice President Strategic Projects at Eutelsat SA, France and was responsible for overseeing Eutelsat's business in Asia and for developing key strategic customer relationships globally. In the course of his career, he has led complex deal negotiations in China, Hong Kong, Australia, Italy and the United Kingdom. He obtained a Bachelor's degree in Chinese from London University's School of Oriental and African Studies in 1984.

Save as disclosed above, Mr. Jordan is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being an Executive Director, he is also a director in a number of members of the Group. As at the Latest Practicable Date, he has personal interests in 3,072,130 shares, including 116,000 shares and 2,956,130 shares option, of the Company within the meaning of Part XV of the SFO.

There is service contract between Mr. Jordan and the Company as a President and Chief Executive Officer of the Company. The contract can be terminated by the either party by giving the other six months' notice in writing. His appointment as a Director is subject to retirement by rotation and re-election in accordance with the Bye-laws. The director's emoluments of HK\$416,670 as basic salary per month, and an additional discretionary bonus

of up to 100% of annual basic salary. His remuneration has been determined by the Board with reference to his duties and responsibilities with the Company and the remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Jordan's appointment.

9. **Mr. Marcel R. FENEZ**

Marcel R. FENEZ, aged 57, is President of Fenez Media, which provides a wide range of advisory services to boards and management of enterprises operating across the entertainment and media ecosystem. A resident of Hong Kong for 30 years, Mr. Fenez was a partner of PricewaterhouseCoopers from 1993 to 2015. He was the Global Leader of PricewaterhouseCoopers' Entertainment and Media Practice from 2006 to 2015 and the Leader of the Telecoms, Media and Technology Practice in Hong Kong and China for 20 years. He is a Director and former Chairman of CASBAA, the industry association promoting the interests of the multi-channel video industry in Asia. He is a fellow of the Institute of Chartered Accountants in England & Wales and a member of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor's Degree in Economics from the London School of Economics and Political Science.

Save as disclosed above, Mr. Fenez has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being an INED, he does not hold any directorship in any members of the Group. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

Mr. Fenez has entered into an appointment letter with the Company pursuant to which his appointment as an INED of the Company shall be for a term of three years with effect from 1 April 2017, subject to the Bye-laws of the Company. Pursuant to the Bye-laws, Mr. Fenez shall hold office until the date of next annual general meeting of the Company at which he will be eligible to offer himself for re-election at such annual general meeting. The director fee of HK\$429,162 per annum will be paid to Mr. Fenez. His remuneration has been determined by the Board with reference to his duties and responsibilities with the Company and the remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Fenez's appointment.

10. Mr. Steven R. LEONARD

Steven R. LEONARD, aged 55, is a technology-industry leader with a wide range of experiences, has played key roles in building several global technology companies in areas such as Software, Hardware and Services. Although born in the U.S., he considers himself a member of the larger global community, having lived and worked outside the U.S. for more than 25 years.

In his current role as the Founding Chief Executive Officer of SGInnovate, a private-limited company wholly owned by the Singapore government, Mr. Leonard has been chartered to build an organisation that helps to start and scale ‘deep-tech’ companies. Capitalising on the science and technology research for which Singapore has gained a global reputation, his team works with local and international partners, including universities, venture capitalists, and major corporations to help technical founders imagine, start and scale early-stage companies.

Prior to his current role, Mr. Leonard served for three years as the Executive Deputy Chairman of the Info-communications Development Authority (IDA), the statutory board within the Singapore Government Ministry of Communications and Information, with various responsibilities at the national level of the information technology and telecommunications industries in Singapore.

Mr. Leonard serves on the advisory boards of a range of universities and organisations in Singapore.

Save as disclosed above, Mr. Leonard has not held any directorship in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas and is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being an INED, he does not hold any directorship in any members of the Group. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

Mr. Leonard has entered into an appointment letter with the Company pursuant to which his appointment as an INED of the Company shall be for a term of three years with effect from 1 April 2017, subject to the Bye-laws of the Company. Pursuant to the Bye-laws, Mr. Leonard shall hold office until the date of next annual general meeting of the Company at which he will be eligible to offer himself for re-election at such annual general meeting. The director fee of HK\$398,507 per annum will be paid to Mr. Leonard. His remuneration has been determined by the Board with reference to his duties and responsibilities with the Company and the remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Leonard’s appointment.

Auditor's Remuneration

11. In relation to Resolution (4) in the Notice regarding the authorisation of the Board to fix auditor's remuneration, shareholders should note that, in practice, the amount of auditor's remuneration for the year 2017 audit cannot be determined at the beginning of the financial year. This is because auditor's remuneration for any given year varies, in particular by reference to the scope and extent of the audit work which is undertaken during the year.
12. In order to be able to charge the amount of auditor's remuneration as operating expenses for the year ending 31 December 2017, shareholders' approval to delegate the authority to the Board to fix the auditor's remuneration for the year ending 31 December 2017 is required at the AGM.
13. The work of the auditor and the amount of remuneration paid to the auditor for the year 2016 audit has been reviewed by the Audit Committee. The approved amount of auditor's remuneration and fees paid to the auditor for non-audit services are disclosed on page 20 of the Annual Report. All non-audit services performed by the auditor were pre-approved by the Audit Committee.

Share Repurchase Mandate

14. In relation to the general mandate referred to in Resolution (6) in the Notice, an ordinary resolution was passed at the AGM on 16 June 2016 giving a general mandate to the Directors to repurchase shares of the Company on the Stock Exchange representing up to 10% of the total number of issued shares of the Company. Up to the Latest Practicable Date, no shares were repurchased pursuant to this general mandate, which will lapse at the conclusion of the forthcoming AGM, unless the mandate is renewed at that meeting. The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase shares on an opportunistic basis for the enhancement of long-term shareholder value. Shareholders' attention is particularly drawn to the implication of share repurchases under the Takeovers Code as set out in the Explanatory Statement on the Share Repurchase Mandate which is sent to shareholders together with the Notice.

As at the date of this circular, the Board comprises the following directors:

Chairman:

Mr. JU Wei Min

Executive Director:

Mr. Andrew G. JORDAN (*President and Chief Executive Officer*)

Non-executive Directors:

Mr. Gregory M. ZELUCK (*Deputy Chairman*)

Mr. Julius M. GENACHOWSKI

Mr. Alex S. YING

Mr. LUO Ning

Mr. Peter JACKSON

Independent Non-executive Directors:

Mr. Marcel R. FENEZ

Mr. Steven R. LEONARD

Mr. Stephen LEE Hoi Yin

Ms. Maura WONG Hung Hung

Alternate Director:

Mr. CHONG Chi Yeung (*alternate to Mr. LUO Ling*)