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:

<table>
<thead>
<tr>
<th>Date</th>
<th>Closing price per Share (HK$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 2014</td>
<td>29.35</td>
</tr>
<tr>
<td>31 July 2014</td>
<td>27.05</td>
</tr>
<tr>
<td>29 August 2014</td>
<td>27.40</td>
</tr>
<tr>
<td>30 September 2014</td>
<td>26.00</td>
</tr>
<tr>
<td>31 October 2014</td>
<td>27.00</td>
</tr>
<tr>
<td>28 November 2014</td>
<td>27.10</td>
</tr>
<tr>
<td>23 December 2014</td>
<td>27.00</td>
</tr>
<tr>
<td>30 January 2015</td>
<td>27.00</td>
</tr>
<tr>
<td>27 February 2015</td>
<td>28.10</td>
</tr>
<tr>
<td>31 March 2015</td>
<td>28.50</td>
</tr>
<tr>
<td>30 April 2015</td>
<td>27.40</td>
</tr>
<tr>
<td>15 May 2015</td>
<td>28.70</td>
</tr>
</tbody>
</table>

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). 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’ 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. 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:

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014 (HK$’000)</td>
</tr>
<tr>
<td>Turnover</td>
<td>1,364,958</td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>723,220</td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>559,139</td>
</tr>
</tbody>
</table>

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/they 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-imburse 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’s 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.

[Signature]

Name: RAGHAV MALHIAH
Title: MANAGING DIRECTOR
Yours faithfully,

For and on behalf of
Merrill Lynch (Asia Pacific) Limited

[Signature]

Name: Thomas Barsha
Title: Director