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If you have sold or transferred all your shares in Asia Satellite Telecommunications Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Asia Satellite Telecommunications Holdings Limited

亞洲衛星控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1135)

**REVISION OF ANNUAL CAPS FOR
EXISTING CONTINUING CONNECTED TRANSACTIONS**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



大有融資有限公司

MESSIS CAPITAL LIMITED

A letter from the Board is set out on pages 4 to 8 of this circular. A letter from the Independent Board Committee is set out on pages 9 to 10 of this circular. A letter from Messis Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 11 to 17 of this circular.

A notice convening the SGM to be held at 12th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 20 November 2014 at 9:30 a.m. is set out on pages 22 to 23 of this circular. A form of proxy for the SGM is enclosed.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 17M 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 SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

* For identification purpose only

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DEFINITIONS

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

“Agreement Term”	the three-year period commencing on 18 October 2012;
“AsiaSat”	Asia Satellite Telecommunications Company Limited, an indirect wholly-owned subsidiary of the Company incorporated under the laws of Hong Kong, the principal business of which is the provision of satellite services to the broadcasting and telecommunications markets;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Bowenvale”	Bowenvale Limited, a controlling Shareholder who owns approximately 74.4% of the total issued share capital of the Company as at the Latest Practicable Date, and a company incorporated under the laws of British Virgin Island;
“Capacity Transactions”	the provision of Transponder Capacity by AsiaSat to CITICSat pursuant to orders placed under the Renewed Transponder Master Agreement;
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司), holding approximately 77.9% of CITIC Limited (formerly known as CITIC Pacific Limited) which in turn indirectly controls 50% of the voting rights of Bowenvale as at the Latest Practicable Date, and an enterprise established and existing under the laws of the PRC;
“CITIC Networks”	CITIC Networks Co., Ltd (中信網絡有限公司), a wholly-owned subsidiary of the CITIC Group and a company established under the laws of the PRC;
“CITICSat”	CITIC Networks Co., Ltd. Beijing Satellite Telecommunications Branch (中信網絡有限公司北京衛星通訊分公司), the branch established and run by CITIC Networks for the development and operation of its satellite system related business;
“Company”	Asia Satellite Telecommunications Holdings Limited, an investment holding company incorporated under the laws of Bermuda, the shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;

DEFINITIONS

“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	a board committee, comprising Mr. James Watkins, Mr. Stephen Lee Hoi Yin, Mr. Kenneth McKelvie and Ms. Maura Wong Hung Hung, being all the independent non-executive Directors, established to advise the Independent Shareholders in relation to the Revised Caps;
“Independent Financial Adviser” or “Messis Capital”	Messis Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Caps;
“Independent Shareholders”	Shareholders other than Bowenvale and its associates;
“Latest Practicable Date”	24 October 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部), formerly MII, Ministry of Information of the PRC (中華人民共和國信息產業部);
“New Permit”	the Basic Telecom Business Operating Permit (基礎電信業務經營許可證) dated 13 August 2012 issued to CITIC Networks by MIIT which will expire on 13 August 2022;
“Original Caps”	the original maximum aggregate values of the Capacity Transactions for the year ending 31 December 2014 and for the period commencing on 1 January 2015 and ending on 17 October 2015 as set out in the Previous Disclosures;
“PRC” or “China”	the People’s Republic of China excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;

DEFINITIONS

“Previous Disclosures”	the announcement and circular of the Company dated 6 September 2012 and 27 September 2012, respectively, in relation to the Renewed Transponder Master Agreement;
“Renewed Transponder Master Agreement”	the agreement entered into between AsiaSat, CITIC Networks and CITICSat on 6 September 2012 for, among other things, the provision of the Transponder Capacity to CITICSat, the major terms of which are set out in the Previous Disclosures;
“Revised Caps”	the revised maximum aggregate values of the Capacity Transactions for the year ending 31 December 2014 being RMB250 million (equivalent to approximately HK\$315.0 million) and for the period commencing on 1 January 2015 and ending on 17 October 2015 being RMB247 million (equivalent to approximately HK\$311.2 million);
“RMB”	Renminbi, the lawful currency of the PRC;
“Satellites”	the AsiaSat 3S, AsiaSat 4, AsiaSat 5 and AsiaSat 7 satellites, their respective replacement satellites, and any other existing or future AsiaSat satellites, including but not limited to AsiaSat 6, AsiaSat 8 and AsiaSat 9, which will be subject to the approval of an amendment of the New Permit conditions by MIIT, and “ Satellite ” shall mean any one of the Satellites;
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving the Revised Caps;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules;
“Transponder Capacity”	the transponder capacity on the Satellites;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

The conversions of RMB into US\$ and into HK\$ are for convenience and illustration purposes only and have been made at rates of US\$1.00 to RMB6.19 and RMB1.00 to HK\$1.26 respectively as at the date of this circular. Such conversions should not be construed as representations that the RMB amounts could be converted into US\$ and HK\$ at that or any other rates.



Asia Satellite Telecommunications Holdings Limited

亞洲衛星控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1135)

Chairman:

Mr. Sherwood P. DODGE

Executive Directors:

Mr. William WADE

Non-executive Directors:

Mr. JU Wei Min, *Deputy Chairman*

Mr. LUO Ning

Mr. Peter JACKSON

Mr. John F. CONNELLY

Ms. Nancy KU

Independent Non-executive Directors:

Mr. James WATKINS

Mr. Stephen LEE Hoi Yin

Mr. Kenneth McKELVIE

Ms. Maura WONG Hung Hung

The Alternate Director:

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

Company Secretary:

Ms. 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

30 October 2014

To the Shareholders

Dear Sir or Madam,

**REVISION OF ANNUAL CAPS FOR
EXISTING CONTINUING CONNECTED TRANSACTIONS**

INTRODUCTION

Reference is made to the Previous Disclosures in relation to the Renewed Transponder Master Agreement entered into between AsiaSat, CITIC Networks and CITICSat, pursuant to which AsiaSat provides the Transponder Capacity to CITICSat for use by its customers in the PRC on an exclusive basis during the Agreement Term and CITICSat promotes the Transponder Capacity in the PRC.

* *For identification purpose only*

LETTER FROM THE BOARD

The Company announced on 9 October 2014 that in light of the anticipated increase in demand from CITICSat's customers in the PRC for the provision of Transponder Capacity by AsiaSat, the Company proposes to revise the Original Caps for the year ending 31 December 2014 and the period commencing on 1 January 2015 and ending on 17 October 2015 to the Revised Caps.

The purpose of this circular is to provide you with, among other things, (i) details of the Revised Caps; (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Caps; (iii) the letter from the Independent Board Committee; and (iv) a notice of the SGM.

BACKGROUND OF THE CAPACITY TRANSACTIONS

Under the Renewed Transponder Master Agreement entered into between AsiaSat, CITIC Networks and CITICSat on 6 September 2012, CITIC Networks and CITICSat have granted to AsiaSat a right to provide the Transponder Capacity for use by their customers in the PRC on an exclusive basis. This allowed AsiaSat to continue to provide satellite transponder capacity services in the PRC. During the Agreement Term, CITICSat, upon the request of its customers in the PRC, places orders for the Transponder Capacity provided by AsiaSat pursuant to the terms and conditions of the Renewed Transponder Master Agreement. Upon acceptance of any such order, AsiaSat shall provide the relevant Transponder Capacity to CITICSat for use by CITICSat's customers for such utilisation period as ordered, at a utilisation fee in RMB to be agreed between the parties based on the market rates or at rates similar to those AsiaSat would have offered to independent third party customers in the PRC. Pursuant to the Renewed Transponder Master Agreement, CITICSat will also promote the Transponder Capacity in the PRC.

HISTORICAL AMOUNTS AND APPROVED ORIGINAL CAPS OF THE CAPACITY TRANSACTIONS

The Directors have been closely monitoring the Capacity Transactions. The historical amount of the aggregate utilisation fee receivable by AsiaSat from CITICSat in relation to the Capacity Transactions for the six months ended 30 June 2014, and the Original Caps approved by the Independent Shareholders on 18 October 2012 for the year ending 31 December 2014 and for the period commencing on 1 January 2015 and ending on 17 October 2015 are set out as follows:

	Historical Amounts	Approved Original Caps	
	For the six months ended 30 June 2014	Financial year ending 31 December 2014	Period commencing on 1 January 2015 and ending on 17 October 2015
Capacity Transactions	RMB96.8 million (approximately US\$15.6 million) (approximately HK\$121.9 million)	RMB228.9 million (approximately US\$35.2 million) (approximately HK\$274.7 million)	RMB190.7 million (approximately US\$29.3 million) (approximately HK\$228.8 million)

LETTER FROM THE BOARD

THE REVISED CAPS

In light of the anticipated increase in demand from CITICSat's customers in the PRC for the provision of Transponder Capacity by AsiaSat, it is expected that the Original Caps will not be sufficient to enable AsiaSat to satisfy such demand for the year ending 31 December 2014 and the period commencing on 1 January 2015 and ending on 17 October 2015. Accordingly, the Company proposes to revise the Original Caps to the Revised Caps as set out below:

Financial year ending 31 December 2014	Period commencing on 1 January 2015 and ending on 17 October 2015
RMB250 million (approximately US\$40.4 million) (approximately HK\$315.0 million)	RMB247 million (approximately US\$39.9 million) (approximately HK\$311.2 million)

In respect of the aggregate annual fee payable and costs to be reimbursed by AsiaSat to CITICSat in relation to the promotion of the Transponder Capacity in the PRC by CITICSat, the annual fees are determined based on a fixed fee and a variable fee if the value of the Capacity Transaction exceeds certain amount. Based on the Capacity Transaction under the Revised Caps, such annual fees and costs would still fall within the aggregate cap set in the Previous Disclosures and accordingly, no revision of the relevant caps will be required.

BASIS OF THE REVISED CAPS

In determining the Revised Caps, the Directors have taken into consideration (i) the historical revenue generated from the Capacity Transactions for the six months ended 30 June 2014; (ii) the expected increase in demand from CITICSat's existing customers in the PRC as determined based on the aggregate amount of existing orders, forecasted renewals and orders under negotiation; and (iii) the potential growth of the PRC market due to strong demand for video broadcasting and various in telecommunications services.

The Revised Caps will enable the Company to capture the growth in demand for its Transponder Capacity in the PRC market and exploit the potential growth of its revenue with the successful launches of AsiaSat 6 and AsiaSat 8 satellites in the third quarter of 2014.

AsiaSat will continue to provide the relevant Transponder Capacity to CITICSat for use by CITICSat's customers based on a utilisation fee in RMB to be agreed between the parties with reference to the market rates (including indicative rates offered by major competitors in the PRC) or at rates similar to those AsiaSat would have offered to independent third party customers in the PRC. The Company will obtain information regarding rates on other comparable services provided by other transponder providers in the PRC and make comparisons in order to allow the Company to obtain favourable rates in relation to its Capacity Transactions. The independent non-executive Directors and the Company's auditors will review annually the implementation of the Renewed Transponder Master Agreement in order to consider, among other things, the fairness of the Capacity Transactions and whether the utilisation fees offered in relation to the Capacity Transactions are on terms no less favourable to AsiaSat than those offered to independent third parties.

LETTER FROM THE BOARD

INFORMATION ON CITICSAT, CITIC NETWORKS AND CITIC GROUP

The Company understands that CITIC Networks is a wholly-owned subsidiary of the CITIC Group, the principal business activity of which is the provision of integrated territorial and international communications network and system services; while CITICSat is the branch established and run by CITIC Networks for its development and operation of satellite system related business. CITIC Group is a business conglomerate with extensive lines of business, including but not limited to, finance, investments, engineering and contracting, resources, infrastructure, real estate development, manufacturing, information technology, trading and services. As at the Latest Practicable Date, CITIC Group indirectly holds approximately 77.9% of CITIC Limited (formerly known as CITIC Pacific Limited) which in turn indirectly controls 50% of the voting rights of Bowenvale, holder of approximately 74.4% of the total issued share capital of the Company. Accordingly, CITIC Group, CITIC Networks and CITICSat are connected persons of the Company.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of satellite transponder capacity and satellite services to broadcasting and telecommunications markets.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14A.54(1) of the Listing Rules, the Company is required to re-comply with the announcement and independent shareholders' approval requirements before the Original Caps are exceeded and accordingly, the Company proposes to revise the Original Caps to the Revised Caps and will seek approval of the Independent Shareholders at the SGM. One of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Revised Caps exceeds 5%.

Bowenvale, which owns approximately 74.4% of the total issued share capital of the Company as at the Latest Practicable Date, is interested in the proposed transactions contemplated under the Renewed Transponder Master Agreement by virtue of the fact that CITIC Group holds approximately 77.9% of CITIC Limited (formerly known as CITIC Pacific Limited) which in turn indirectly controls 50% of Bowenvale's voting rights, and is therefore required to abstain from voting at the SGM.

SGM

The SGM will be convened at 12th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 20 November 2014 at 9:30 a.m. to consider and, if thought fit, approve the Revised Caps. A notice of the SGM is set out on pages 22 to 23 of this circular.

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

LETTER FROM THE BOARD

A form of proxy for the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M 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 SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

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

RECOMMENDATION

The Directors (excluding the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee contained in this circular) are of the view that the Revised Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole, and the Capacity Transactions are in the ordinary course of business of the Company, and hence recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Revised Caps.

None of the Directors had a material interest in the Capacity Transactions or was required to abstain from voting at the relevant board meeting approving the Revised Caps. However, as a matter of good corporate governance, Mr. Ju Wei Min, Mr. Luo Ning and Mr. Peter Jackson (all being Directors nominated by CITIC Group) and Mr. James Watkins, Mr. Stephen Lee Hoi Yin, Mr. Kenneth McKelvie and Ms. Maura Wong Hung Hung (all being members of the Independent Board Committee) had voluntarily abstained from voting at the board meeting.

ADDITIONAL INFORMATION

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Revised Caps. Your attention is drawn to its letter of recommendation set out on pages 9 to 10 of this circular.

Messis Capital has also been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Revised Caps. Your attention is drawn to its letter of recommendation set out on pages 11 to 17 of this circular.

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully
For and on behalf of
Asia Satellite Telecommunications Holdings Limited
Sherwood P. DODGE
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee to the Independent Shareholders in connection with the Revised Caps, which has been prepared for the purpose of inclusion in this circular:



Asia Satellite Telecommunications Holdings Limited

亞洲衛星控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1135)

30 October 2014

To the Independent Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company dated 30 October 2014 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the Revised Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of Messis Capital which has been appointed as the Independent Financial Adviser.

Details of the Revised Caps are set out in the letter from the Board on pages 4 to 8 of the Circular. We wish to draw your attention to the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Revised Caps, as set out on pages 11 to 17 of the Circular.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We have discussed with the management of the Company the background to and nature of the Capacity Transactions, the reasons for the revision of the Original Caps and the basis upon which the Revised Caps have been determined. Having taken into account the principal factors and reasons considered by the Independent Financial Adviser and its opinion and recommendation, we concur with the views of the Independent Financial Adviser that the Capacity Transactions are in the ordinary course of business of the Group, and the Revised Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the SGM to approve the Revised Caps.

Yours faithfully,

For and on behalf of the

Independent Board Committee

James WATKINS	Stephen LEE Hoi Yin	Kenneth McKELVIE	Maura WONG Hung Hung
<i>Independent Non-executive Director</i>	<i>Independent Non-executive Director</i>	<i>Independent Non-executive Director</i>	<i>Independent Non-executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter from Messis Capital in connection with the advice to the Independent Board Committee and the Independent Shareholders on the Revised Caps for the Capacity Transactions under the Renewed Transponder Master Agreement, which has been prepared for the purpose of inclusion in this circular:



大有融資有限公司
MESSIS CAPITAL LIMITED

30 October 2014

*To the Independent Board Committee and
the Independent Shareholders of the Company*

Dear Sirs,

REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of whether the Revised Caps for the Capacity Transactions under the Renewed Transponder Master Agreement are in the interest of the Company and the Shareholders as a whole and fair and reasonable so far as the Independent Shareholders are concerned. Details of the Capacity Transactions and the Revised Caps are set out in the letter from the Board (the “Board Letter”) contained in the circular of the Company dated 30 October 2014 (the “Circular”) of which this letter forms part. Please refer to Section 5 and 6 of the appendix to the Circular in relation to our qualification relevant to advising on the continuing connected transactions and our relationship and interests in the Group. Terms defined in the Circular shall have the same meanings in this letter unless the context of this letter otherwise requires.

The Company announced on 9 October 2014 that, in relation to the Capacity Transactions, it was proposing to revise the Original Caps to the Revised Caps.

On 18 October 2012, the Independent Shareholders approved, amongst other things, the Original Caps at (i) RMB228.9 million (equivalent to approximately HK\$274.7 million) for the year ending 31 December 2014; and (ii) RMB190.7 million (equivalent to approximately HK\$228.8 million) for the period commencing on 1 January 2015 and ending on 17 October 2015, for the total utilisation fees receivable from CITICSat for the Capacity Transactions for the relevant period.

In light of the anticipated increase in demand from CITICSat’s customers in the PRC for the provision of Transponder Capacity by AsiaSat, it is expected that the Original Caps will not be sufficient to enable AsiaSat to satisfy such demand for the year ending 31 December 2014 and the period commencing on 1 January 2015 and ending on 17 October 2015.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, CITIC Group holds approximately 77.9% of CITIC Limited (formerly known as CITIC Pacific Limited) which in turn indirectly controls 50% of the voting rights of Bowenvale, holder of approximately 74.4% of the total issued share capital of the Company. Accordingly, CITIC Group, CITIC Networks and CITICSat are connected persons of the Company. Pursuant to the Listing Rules, the Company is required to re-comply with the announcement and independent shareholders' approval requirements before the Original Caps are exceeded and accordingly, the Company proposes to revise the Original Caps to the Revised Caps and will seek approval of the Independent Shareholders at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Revised Caps.

In formulating our opinion, we have relied on the accuracy of statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and which the Directors consider to be complete and relevant, and have assumed that the statements made were true, accurate and complete at the time they were made and continue to be true on the date of the Circular.

We consider that we have received sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and to provide a reasonable basis for our view and recommendation. We have no reason to suspect that any material information has been withheld by the Company or by the Directors. We have not, however, carried out any independent investigation into the business and affairs of the Company. Pursuant to the Listing Rules, we have taken reasonable steps to satisfy ourselves that there is no reason to believe any of the following information is not true or omits a material fact which include the following:

- (a) obtained and reviewed all the information and documents relevant to an assessment of the fairness and reasonableness of the Revised Caps for the Capacity Transactions, including but not limited to, the announcement of the Company dated 9 October 2014, the Board Letter, the Renewed Transponder Master Agreement and the internal documents provided by the Company, including (i) agreements between AsiaSat and independent third parties for the provision of transponder capacity to these parties for transmission of their services covering the PRC, (ii) the analysis of the market rates of the transponder capacity utilisation in the PRC offered by other service providers, (iii) the analysis of the direct and indirect costs in relation to the Capacity Transactions, and (iv) the latest projections with assumptions for the Capacity Transactions in 2014 and 2015;
- (b) reviewed the reasons for and background of as well as the terms of the Capacity Transactions and the Revised Caps;
- (c) reviewed the fairness and reasonableness of the assumptions of the Revised Caps and the projections of revenue in relation to the Capacity Transactions; and
- (d) confirmed that no third party expert opinion is relevant to the Revised Caps.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS TAKEN INTO ACCOUNT

In arriving at our opinions and recommendations to the Independent Board Committee and the Independent Shareholders in respect of whether the Revised Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole, we have considered the principal factors and reasons set out below:

BACKGROUND OF THE CAPACITY TRANSACTIONS

Under the Renewed Transponder Master Agreement entered into between AsiaSat, CITIC Networks and CITICSat on 6 September 2012, CITIC Networks and CITICSat have granted to AsiaSat a right to provide the Transponder Capacity for use by their customers in the PRC on an exclusive basis. This allowed AsiaSat to continue to provide satellite transponder capacity services in the PRC. During the Agreement Term, CITICSat, upon the request of its customers in the PRC, places orders for the Transponder Capacity provided by AsiaSat pursuant to the terms and conditions of the Renewed Transponder Master Agreement. Upon acceptance of any such order, AsiaSat provides the relevant Transponder Capacity to CITICSat for use by CITICSat's customers for such utilisation period as ordered, at an utilisation fee in RMB to be agreed between the parties based on the market rate or at a rate similar to those AsiaSat would have offered to independent third party customers for the services covering the PRC. Pursuant to the Renewed Transponder Master Agreement, CITICSat will also promote the Transponder Capacity in the PRC.

INFORMATION ON CITICSAT, CITIC NETWORKS AND CITIC GROUP

The Company understands that CITIC Networks is a wholly-owned subsidiary of the CITIC Group, the principal business activity of which is the provision of integrated territorial and international communications network and system services; while CITICSat is the branch established and run by CITIC Networks for its development and operation of satellite system related business. CITIC Group is a business conglomerate with extensive lines of business, including but not limited to, finance, investments, engineering and contracting, resources, infrastructure, real estate development, manufacturing, information technology, trading and services. As at the Latest Practicable Date, the CITIC Group indirectly holds approximately 77.9% of CITIC Limited (formerly known as CITIC Pacific Limited) which in turn indirectly controls 50% of the voting rights of Bowenvale, holder of approximately 74.4% of the total issued share capital of the Company. Accordingly, CITIC Group, CITIC Networks and CITICSat are connected persons of the Company.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of satellite transponder capacity and satellite services to the broadcasting and telecommunications markets. Accordingly, we are of the view that the Capacity Transactions, in relation to the provision of Transponder Capacity by AsiaSat to CITICSat pursuant to orders placed under the Renewed Transponder Master Agreement, are in the ordinary course of business of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF THE REVISED CAPS

In determining the Revised Caps, the Directors have taken into consideration (i) the historical revenue generated from the Capacity Transactions for the six months ended 30 June 2014; (ii) the expected increase in demand from CITICSat's existing customers in the PRC as determined based on the aggregate amount of existing orders, forecasted renewals and orders under negotiation; and (iii) the potential growth of the PRC market due to strong demand for video broadcasting and various telecommunications services. The Directors are of the view that the Revised Caps will enable the Company to capture the growth in demand for its Transponder Capacity in the PRC market and exploit the potential growth of its revenue after the successful launches of AsiaSat 6 and AsiaSat 8 in the third quarter of 2014.

We have reviewed the analysis of the direct and indirect costs provided by the Company in relation to the Capacity Transactions for the period from January 2013 to June 2014 and noted that the revenue generated from the Capacity Transactions was higher than the aggregated amount of the direct and indirect costs in relation to the Capacity Transactions. We are informed that the costing structure in relation to the Capacity Transactions will be maintained in 2014 and 2015. Accordingly, net profit has been generated in 2013 and the first half of 2014 and is expected to be generated in the second half of 2014 and 2015 from the Capacity Transactions. It means that more profit is expected to be generated from the Capacity Transactions if there is a growth of revenue from the Capacity Transactions. We are of the view that the Revised Caps will enable the Company to capture the potential growth of both the revenue and net profit in the second half of 2014 and in 2015 which is in the interest of the Company and the Shareholders as a whole.

AsiaSat will continue to provide the relevant Transponder Capacity to CITICSat for use by CITICSat's customers based on an utilisation fee in RMB to be agreed between the parties with reference to the market rates (including indicative rates offered by major competitors in the PRC) or at rates similar to those AsiaSat would have offered to independent third party customers in the PRC. The Company will obtain information regarding rates on other comparable services provided by other transponder providers in the PRC and make comparisons in order to allow the Company to obtain favourable rates in relation to its Capacity Transactions.

We have reviewed (i) the rates of utilisation fee in relation to the Transponder Capacity and the terms of the Renewed Transponder Master Agreement; and (ii) the terms of all agreements between AsiaSat and independent third parties for the provision of transponder capacity to these parties for transmission of their services covering the PRC. We are satisfied that the utilisation fee offered by AsiaSat to CITICSat in relation to the Capacity Transactions are on terms no less favourable to AsiaSat than those offered to independent third parties.

We have also reviewed the Company's internal research and analysis of the market rates of the transponder capacity provision to other parties for transmission of their services covering the PRC offered by other transponder providers for different categories of bandwidth and orbital slot. We are satisfied by the analysis that (i) the analysis has provided sufficient information on the rates of the transponder capacity provision for different categories of bandwidth and orbital slot; and (ii) the rate of utilisation fee offered by AsiaSat to CITICSat in

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relation to the Capacity Transactions are more favourable to AsiaSat than the rates of other comparable services offered by other transponder providers. Accordingly, we are of the view that terms of the Renewed Transponder Master Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

HISTORICAL AMOUNTS AND APPROVED ORIGINAL CAPS OF THE CAPACITY TRANSACTIONS

The Directors declared that they have been closely monitoring the Capacity Transactions. The historical amount of the aggregate utilisation fee receivable by AsiaSat from CITICSat in relation to the Capacity Transactions for the six months ended 30 June 2014, and the Original Caps approved by the Independent Shareholders on 18 October 2012 for the year ending 31 December 2014 and for the period commencing on 1 January 2015 and ending on 17 October 2015 are set out as follows:

	Historical Amounts	Approved Original Caps	
	For the six months ended 30 June 2014	Financial year ending 31 December 2014	Period commencing on 1 January 2015 and ending on 17 October 2015
Capacity Transactions	RMB96.8 million (approximately US\$15.6 million) (approximately HK\$121.9 million)	RMB228.9 million (approximately US\$35.2 million) (approximately HK\$274.7 million)	RMB190.7 million (approximately US\$29.3 million) (approximately HK\$228.8 million)

REASONS FOR THE REVISED CAPS

In light of the anticipated increase in demand from CITICSat's customers in the PRC for the provision of Transponder Capacity by AsiaSat, it is expected that the Original Caps will not be sufficient to enable AsiaSat to satisfy such demand for the year ending 31 December 2014 and the period commencing on 1 January 2015 and ending on 17 October 2015. Accordingly, the Company proposes to revise the Original Caps to the Revised Caps as set out below:

Financial year ending 31 December 2014	Period commencing on 1 January 2015 and ending on 17 October 2015
RMB250 million (approximately US\$40.4 million) (approximately HK\$315.0 million)	RMB247 million (approximately US\$39.9 million) (approximately HK\$311.2 million)

We have reviewed the latest projections with the assumptions, provided by the Company, for the Capacity Transactions in 2014 and 2015 which cover (i) the historical revenue generated from the Capacity Transactions for 2013 and the six months ended 30 June 2014; (ii) the expected increase in demand from CITICSat's existing customers in the PRC as determined based on the aggregate amount of existing orders, forecasted renewals and orders under

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negotiation; and (iii) the potential growth of the PRC market in relation to potential customers due to strong demand for video broadcasting and various telecommunications services. We note that the forecast of the growth of revenue is mainly based on the increase in demand from CITICSat's existing customers and the new demand from new target customers. We are satisfied that the forecast is supported by assumptions with a detailed breakdown of the increase in demand from the existing and new target customers matched with the potential revenue to be generated from specific categories of capacity usage classified by bandwidths and the orbital slots for each AsiaSat satellite.

In respect of the aggregate annual fee payable and costs to be reimbursed by AsiaSat to CITICSat in relation to the promotion of the Transponder Capacity services in the PRC by CITICSat, the annual fees are determined based on a fixed fee and a variable fee if the value of the Capacity Transaction exceeds certain amount. Based on the Capacity Transaction under the Revised Caps, such annual fees and costs would still fall within the aggregate cap set in the Previous Disclosures and accordingly, no revision of the relevant cap will be required. We are of the view that it is in the interest of the Company and the Shareholders as a whole that there is no revision of the cap in relation to the promotion of the Transponder Capacity services while the Revised Caps will enable the Company to capture the potential growth of both the revenue and net profit in the second half of 2014 and in 2015.

CONCLUSION

As set out above:

1. the Revised Caps will enable the Company to capture the potential growth of both the revenue and net profit which is in the interest of the Company and the Shareholders as a whole;
2. the Capacity Transactions are in the ordinary course of business of the Group;
3. the utilisation fees offered by AsiaSat to CITICSat in relation to the Transponder Capacity are on terms no less favourable to AsiaSat than those offered to independent third parties for the services covering the PRC and are more favourable to AsiaSat than the rates of other comparable services provided by other transponder providers to other parties for transmission of their services covering the PRC, which are fair and reasonable so far as the Independent Shareholders are concerned;
4. the Revised Caps, based on the historical revenue, the expected increase in demand from CITICSat's existing customers in the PRC and the new demand from the new target customers, are adequate as well as fair and reasonable to the Company and the Independent Shareholders; and
5. it is in the interest of the Company and the Shareholders as a whole that there is no revision of the cap in relation to the promotion of the Transponder Capacity services in the PRC by CITICSat.

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RECOMMENDATION

Having considered the factors and reasons as set out above, we are of the view that the Capacity Transactions are in the ordinary course of business of the Group, and the Revised Caps are in the interest of the Company and the Shareholders as a whole and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Revised Caps at the SGM.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Michael Leung
Executive Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interest or short positions in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, or which were required to be entered in the register required to be kept under section 352 of the SFO:

Long positions in the Shares

Name of Directors	Personal interests	Family interests	Corporate interests	Trust interests	Approximate % of the issued share capital of the Company	
					Total	Company
Peter JACKSON	800,264	—	—	—	800,264	0.20%
William WADE	601,826	—	—	—	601,826	0.15%
James WATKINS	50,000	—	—	—	50,000	0.01%

As at the Latest Practicable Date, (i) none of the Directors or proposed Directors had any direct or indirect interest in any assets which had been, since 31 December 2013 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to, any member of the Group, or were proposed to be acquired or disposed of by or leased to, any member of the Group; and (ii) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable date and which was significant in relation to the business of the Group.

Saved as disclosed below, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares and company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of Director	Names of companies which had such discloseable interest or short position	Position within such companies
Sherwood P. Dodge	Bowenvale	Director
	GE CFE Luxembourg S.a.r.l.	Director
Ju Wei Min	Bowenvale	Director
	CITIC Projects Management (HK) Limited	Director
	CITIC Asia Satellite Holdings Company Limited	Director
	Able Star Associates Limited	Director
	CITIC Limited	Chief Financial Officer
	CITIC Corporation Limited	Employee
Luo Ning	Bowenvale	Director
	CITIC Corporation Limited	Employee
Peter Jackson	Bowenvale	Director
John Connelly	Bowenvale	Director
Nancy Ku	Bowenvale	Director

3. SERVICE CONTRACT

Mr. William Wade, an Executive Director and President and Chief Executive Officer of the Company entered into a service contract with the Company with effect from 1 August 2010 which can be terminated by either party in writing by giving to the other not less than twelve calendar months' notice in writing.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

5. EXPERT AND CONSENT

The following is the qualification of the expert who has given an opinion or advice, which is contained in this circular:

Name	Qualification
Messis Capital Limited	a licensed corporation under the SFO to carry on type 6 (advising on corporate finance) regulated activities under the SFO

Messis Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice as set out in this circular and references to its name in the form and context in which it appears.

6. EXPERT'S INTEREST IN ASSETS

As at the Latest Practicable Date, Mesis Capital:

- (a) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) did not have any direct or indirect interest in any assets which had since 31 December 2013 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited financial statements of the Company were made up.

8. GENERAL

The English text of this circular shall prevail over the Chinese text, in case of any inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the follow documents will be available for inspection at the office of the Company at 12th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong during normal business hours on any day other than a Saturday, Sunday and a public holiday in Hong Kong from the date of this circular up to and including the date of the SGM:

- (i) the service contract referred to in the paragraph headed “3. Service Contract” in this appendix; and
- (ii) the Renewed Transponder Master Agreement.



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 SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of Asia Satellite Telecommunications Holdings Limited (the “**Company**”) will be held at 12th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong on 20 November 2014 at 9:30 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (A) the Revised Caps (as defined in the circular of the Company dated 30 October 2014 (the “**Circular**”) of which this notice forms part) (a copy of the Circular is tabled at the meeting and initialled by the chairman of the meeting for identification purpose) be and are hereby approved; and
- (B) any one director of the Company, or any two directors of the Company if affixation of the common seal is necessary, be and is/are hereby authorised to execute and deliver all such documents, instruments or agreements and to do all such acts or things which he/she/they may in his/her/their discretion consider necessary or incidental in connection with the Revised Caps.”

By Order of the Board

Asia Satellite Telecommunications Holdings Limited

Sherwood P. DODGE

Chairman

Hong Kong, 30 October 2014

* *For identification purpose only*

NOTICE OF SGM

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

Notes:

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. A form of proxy for the SGM is enclosed and such form is also published on the website of the Stock Exchange (www.hkexnews.hk).
3. To be valid, a form of proxy must be completed, signed and deposited to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M 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 SGM or any adjournment thereof. If a proxy form is signed under a power of attorney, the power of attorney or other authority under which it is signed or a notarially certified copy of such power of attorney or authority must be delivered to the Company's branch share registrar together with the proxy form, except that a 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 a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof should he so wish, and in such event, the form of proxy shall be deemed to be revoked.**
4. The ordinary resolution as set out above will be determined by way of a poll which is mandatory pursuant to the Listing Rules.