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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Asia Satellite Telecommunications Holdings Limited, you should at once forward this Circular with the enclosed proxy form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **Asia Satellite Telecommunications Holdings Limited** **亞洲衛星控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1135)**

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

**AND**

### **RE-ELECTION OF RETIRING DIRECTORS**

**AND**

### **NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Asia Satellite Telecommunications Holdings Limited to be held at 19th Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong on 25 May 2010 at 11:30 a.m. is set out on pages 11 to 21 of this Circular.

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

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 19th Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong on 25 May 2010 at 11:30 a.m. and any adjournment thereof
“Annual Report”	the annual report of the Company for the year ended 31 December 2009
“Board”	The board of Directors
“Bye-laws”	Bye-laws of the Company as may be amended from time to time
“Code”	Appendix 14, namely the Code on Corporate Governance Practices, of the Listing Rules
“Company”	Asia Satellite Telecommunications Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“General Mandates”	collectively the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed mandate to allot, issue and deal with additional Shares not exceeding 10% of the issued share capital of the Company as the date of passing the resolution approving the said mandate

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## DEFINITIONS

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“Latest Practicable Date”	20 April 2010, being the latest practicable date for ascertaining certain information in this Circular prior to the printing of this Circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Repurchase Mandate”	the proposed mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as the date of the resolution approving the said mandate
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) for the time being of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Future Commission

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## LETTER FROM THE BOARD

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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)**

*Non-executive Directors:*

Sherwood P. DODGE, *Chairman*  
MI Zeng Xin, *Deputy Chairman*  
Mark CHEN  
John F. CONNELLY  
GUAN Yi  
JU Wei Min  
LUO Ning  
Nancy KU

*Executive Directors:*

Peter JACKSON  
William WADE

*Independent Non-executive Directors:*

Edward CHEN  
Robert SZE  
James WATKINS

*Company Secretary:*

Sue YEUNG

*Registered Office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Principal Office in Hong Kong:*

19th Floor, Sunning Plaza  
10 Hysan Avenue  
Causeway Bay  
Hong Kong

23 April 2010

*To Shareholders*

Dear Sir or Madam,

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

**AND**

**RE-ELECTION OF RETIRING DIRECTORS**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

On 21 May 2009, general mandates were given to the Directors to issue Shares and to exercise all the powers of the Company to repurchase its Shares. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to issue Shares and to repurchase Shares at the AGM.

\* for identification purpose only

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## LETTER FROM THE BOARD

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

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

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

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

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

### **3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Bye-law 110(A) of the Company's Bye-laws, Mr. John F. CONNELLY, Mr. JU Wei Min, Ms. Nancy KU, Professor Edward CHEN and Mr. Robert SZE will retire by rotation at the AGM and, being eligible, offer themselves for re-election. In accordance with Bye-law 101 of the Company's Bye-laws, Mr. LUO Ning, who was appointed as the Non-executive Director after the last AGM will retire and, being eligible, offer himself for re-election.

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

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## LETTER FROM THE BOARD

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### 4. ANNUAL GENERAL MEETING

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

### 5. VOTING BY POLL AT THE AGM

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

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

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

### 6. RECOMMENDATIONS

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

### 7. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

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## LETTER FROM THE BOARD

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### 8. MISCELLANEOUS

As at the Latest Practicable Date, to the extent that the Company was aware of having made all reasonable enquiries, no Shareholder was required to abstain from voting under the Listing Rules on any of the proposed resolutions as set out in the notice of the AGM.

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

Yours faithfully  
By order of the Board  
**Sherwood P. DODGE**  
*Chairman*

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

**1. SHARE BUY BACK RULES**

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

**2. SHARE CAPITAL**

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

Subject to the passing of the Ordinary Resolution and on the basis that no further Shares are issued prior to the AGM to be held on 25 May 2010, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 39,119,550 Shares, representing 10% of the issued share capital of the Company.

**3. REASONS FOR REPURCHASES**

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

**4. SHAREHOLDERS' APPROVAL**

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

**5. FUNDING OF REPURCHASES**

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

There might be a material adverse impact on the working capital requirements of the Company or gearing level of the Company (as compared with the position disclosed the audited consolidated financial statements of the Company for the year ended 31 December 2009 as set out in the Company's Annual Report) in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors are from time to time appropriate for the Company.

**6. SHARE PRICES**

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

	Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2009</b>		
April	9.09	7.99
May	9.70	8.55
June	9.26	8.17
July	11.50	8.85
August	12.38	11.10
September	12.60	11.70
October	12.20	11.00
November	11.90	10.82
December	12.80	10.36
<b>2010</b>		
January	11.44	9.80
February	11.30	10.54
March	11.36	10.70
April (up to the Latest Practicable Date)	12.00	11.26

**7. DIRECTORS' UNDERTAKING**

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

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

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

## **8. TAKEOVERS CODE**

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

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

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

## **9. SHARE REPURCHASE MADE BY THE COMPANY**

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



## **Asia Satellite Telecommunications Holdings Limited** **亞洲衛星控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1135)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of Asia Satellite Telecommunications Holdings Limited (the “Company”) will be held at 19th Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong on Tuesday, 25 May 2010 at 11:30 a.m. for the following purposes:

#### **ORDINARY RESOLUTIONS**

- (1) To receive and approve the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31 December 2009.
- (2) To declare a final dividend for the year ended 31 December 2009.
- (3) To re-elect Directors and authorise the Board to fix their remuneration.
- (4) To re-appoint PricewaterhouseCoopers as auditors of the Company and authorise the Board to fix their remuneration for the year ended 31 December 2010.

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

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

\* for identification purpose only

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

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

shall not exceed the aggregate of:

- (a) 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and
- (b) (if the Directors are so authorised by a separate resolution of the Shareholders) the aggregate nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution);

and the said approval shall be limited accordingly; and

(C) for the purpose of this resolution:

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

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

- (C) for the purposes of this resolution:
- (i) “Relevant Period” means the period from (and including) the passing of this resolution until the earlier of:
    - (a) the conclusion of the annual general meeting of the Company;
    - (b) the expiration of the period within which the annual general meeting of the Company is required by the Bye-laws or by any other applicable law to be held; and
    - (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting; and
  - (ii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”
- (7) “**THAT**, conditional on the passing of Resolutions (5) and (6) above, the General Mandate granted to the Directors of the Company to allot, issue and otherwise deal with additional Shares and to make or grant offers, agreements, options, warrants, and other securities which might require the exercise of such power pursuant to Resolution (5) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the company under the authority granted pursuant to Resolution (6), provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution.”

By order of the Board  
**Sue YEUNG**  
*Company Secretary*

Hong Kong, 23 April 2010

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

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

***Dividends and Closure of Register***

3. The register of members of the Company will be closed from Tuesday, 18 May 2010 to Tuesday, 25 May 2010 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 17 May 2010.
4. The Board has recommended a final dividend for the year ended 31 December 2009 (the "Final Dividend") of HK\$0.32 per share and, if such dividend is declared by the shareholders by passing Resolution (2), it is expected to be paid on or about Monday, 31 May 2010 to those shareholders whose names appeared on the Company's register of members on Tuesday, 25 May 2010.

***Directors***

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

**5. Mr. John F. CONNELLY**

John F. CONNELLY, aged 66, was appointed a Non-executive Director of the Company on 29 March 2007. He served with General Electric Group for over 40 years in a variety of positions. From 1992 to 2001 he served as Chairman and Chief Executive Officer of GE Americom, Inc., which was subsequently sold to SES S.A. (“SES”). In 2001 he was named Vice Chairman of SES, a position he held until March 2007.

Save as disclosed above, Mr. CONNELLY is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being a Non-executive Director, he is also a director in a number of members of the Group. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. CONNELLY and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. His remuneration as a Director has been determined by the Board as HK\$150,000 per annum with reference to his duties and responsibilities with the Company, the Company’s remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. CONNELLY’s appointment.

**6. Mr. JU Wei Min**

JU Wei Min, aged 47, was appointed a Non-executive Director of the Company on 12 October 1998. He is the Director and Chief Financial Officer of CITIC, and also the Chairman of CITIC Trust Co., Ltd. He is a Non-executive Director of CITIC International Financial Holdings Limited, CITIC Ka Wah Bank, China CITIC Bank Corporation Limited, CITIC Securities Co., Ltd and CITIC Pacific Limited. He holds a Bachelor’s degree and Master’s degree in Economics.

Save as disclosed above, Mr. JU is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being a Non-executive Director, he is also a director in a number of members of the Group. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. JU and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. His remuneration as a Director has been determined by the Board as HK\$100,000 per annum with reference to his duties and responsibilities with the Company, the Company's remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. JU's appointment.

**7. Ms. Nancy KU**

Nancy KU, aged 53, was appointed a Non-executive Director of the Company on 29 March 2007. She is the President and Chief Executive Officer of GE Capital Greater China and has held this position since January 2009. Prior to this role, she was the President and Chief Executive Officer of GE Commercial Finance Greater China. She has worked for General Electric Group for 11 years.

Save as disclosed above, Ms. KU is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being a Non-executive Director, she is also a director in a number of members of the Group. As at the Latest Practicable Date, she is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Ms. KU and the Company. Her appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. Her remuneration as a Director has been determined by the Board as HK\$100,000 per annum with reference to her duties and responsibilities with the Company, the Company's remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There is no other matter that needs to be brought to the attention to the Shareholders in respect of Ms. KU's appointment.

**8. Mr. LUO Ning**

LUO Ning, aged 51, was appointed a Non-executive Director of the Company on 22 January 2010. He is a Director and an Assistant President of CITIC Group, a Chairman and a General Manager of CITIC Networks Co. Ltd. He joined CITIC Group since 2000 and also holds directorships in several other subsidiaries of CITIC Group. He is a Director of CITIC Guoan Information Industry Company Limited which is listed on the Shenzhen Stock Exchange in the People's Republic of China. He is also a Vice-Chairman and Executive Director of CITIC 21 CN Company Limited and an Executive Director of DVN (Holdings) Limited. Both companies are listed on the Main Board of the Hong Kong Stock Exchange. He has over 16 years' experience in the telecommunications business and holds a Bachelor's degree in Communication Speciality from the Wuhan People's Liberation Army Institute of Communication Command.

Save as disclosed above, Mr. LUO is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. Apart from being a Non-executive Director, he is also a director in a number of members of the Group. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. LUO and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. His remuneration as a Director has been determined by the Board as HK\$100,000 per annum with reference to his duties and responsibilities with the Company, the Company's remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. LUO's appointment.

**9. Professor Edward CHEN**

Edward CHEN, *G.B.S., C.B.E., J.P.*, aged 65, has been an Independent Non-executive Director of the Company since May 1996. He was educated at Hong Kong University (Bachelor of Arts, Master of Social Science) and Oxford University (Doctor of Philosophy) and was the President of Lingnan University in Hong Kong and retired from this position in 2007. He was a member of the Executive Council of Hong Kong from 1992 to 1997 and Chairman of the Consumer Council from 1991 to 1997. He is now a Distinguished Fellow, Centre of Asian Studies of the University of Hong Kong, Director of First Pacific Company Limited, Director of The Wharf (Holdings) Limited, Director of eBizAnywhere Technologies Limited, and Director of LG Asian Smaller Companies Fund.

Save as disclosed above, Professor CHEN is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Professor CHEN and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. His remuneration as a Director has been determined by the Board as HK\$325,000 per annum with reference to his duties and responsibilities with the Company, the Company's remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There is no other matter that needs to be brought to the attention to the Shareholders in respect of Professor CHEN's appointment.

**10. Mr. Robert SZE**

Robert SZE, aged 69, has been an Independent Non-executive Director of the Company since May 1996. He is a fellow of the Institute of Chartered Accountants in England and Wales and of the Hong Kong Institute of Certified Public Accountants. He was a partner in an international firm of accountants with which he practised for over 20 years, and is a Non-executive Director of a number of Hong Kong listed companies.

Save as disclosed above, Mr. Sze is not related to any director, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, he is not interested in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between Mr. Sze and the Company. His appointment is subject to retirement by rotation and re-election in accordance with the Bye-laws. His remuneration as a Director has been determined by the Board as HK\$350,000 per annum with reference to his duties and responsibilities with the Company, the Company's remuneration policy and guidelines adopted by the Remuneration Committee of the Company.

There is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

There is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Sze's appointment.

### ***Auditors' Remuneration***

11. In relation to Resolution (4) in the Notice regarding the authorisation of the Board to fix auditors' remuneration, shareholders should note that, in practice, the amount of auditors' remuneration for the year 2010 audit cannot be determined at the beginning of the financial year. This is because auditors' remuneration for any given year varies, in particular by reference to the scope and extent of the audit work which is undertaken during the year.
12. In order to be able to charge the amount of auditors' remuneration as operating expenses for the year ending 31 December 2010, shareholders' approval to delegate the authority to the Board to fix the auditors' remuneration for the year ending 31 December 2010 is required at the AGM.
13. The work of the auditors and the amount of remuneration paid to the auditors for the year 2009 audit has been reviewed by the Audit Committee. The approved amount of auditors' remuneration and fees paid to the auditors for non-audit services are disclosed on page 28 of the Annual Report. All non-audit services performed by the auditors were pre-approved by the Audit Committee.

***Share Repurchase Mandate***

14. In relation to the general mandate referred to in Resolution (6) in the Notice, an ordinary resolution was passed at the AGM on 21 May 2009 giving a general mandate to the Directors to repurchase shares of the Company on the Stock Exchange representing up to 10% of the issued share capital of the Company. Up to the Latest Practicable Date, no shares were repurchased pursuant to this general mandate, which will lapse at the conclusion of the forthcoming AGM, unless the mandate is renewed at that meeting. The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase shares on an opportunistic basis for the enhancement of long-term shareholder value. Shareholders' attention is particularly drawn to the implication of share repurchases under the Hong Kong Code on Takeovers and Mergers as set out in the Explanatory Statement on the Share Repurchase Mandate which is sent to shareholders together with the Notice.

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

***Executive Directors:***

Mr. Peter JACKSON (*Chief Executive Officer*)

Mr. William WADE (*Deputy Chief Executive Officer*)

***Non-executive Directors:***

Mr. Sherwood P. DODGE (*Chairman*)

Mr. Mark CHEN

Mr. John F. CONNELLY

Ms. Nancy KU

Mr. MI Zeng Xin (*Deputy Chairman*)

Mr. GUAN Yi

Mr. JU Wei Min

Mr. LUO Ning

***Independent Non-executive Directors:***

Professor Edward CHEN

Mr. James WATKINS

Mr. Robert SZE