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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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the "Special General Meeting") of shareholders of Asia Satellite Telecommunications Holdings Limited (the "**Company**") will be held at 19th Floor, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong on Wednesday, 18 July 2012 at 10:00 a.m. (or as soon as the Court Meeting (as defined in the Scheme (as defined below), convened by direction of the Supreme Court of Bermuda for the same place and day, shall have been concluded or concluded after any adjournment thereof) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

SPECIAL RESOLUTION

"THAT

- (a) Subject to and immediately upon the scheme of arrangement (the "**Scheme**") between the Company and the holders of the Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this meeting and for the purposes of identification initialled by the chairman of this meeting, subject to any modification or addition or condition as may be approved or imposed by the Supreme Court of Bermuda becoming effective, the bye-laws of the Company be amended as follows:

(1) Bye-law 1

By adding the following new definitions of "Applicable Law and Regulation", "Applicable Laws", "Applicable Regulatory Requirements", "Court Scheme", "Dispose", "Encumbrance", "Group", "ITAR", "MSOT", "Ordinary Shares", "Plan", "Preference Shares", "Relevant Regulatory Agencies", "Trust Deed" and "Trustee" in the existing Bye-law 1:

"Applicable Law and Regulation" shall mean Applicable Laws and Applicable Regulatory Requirements and including (specifically but without limitation) ITAR;"

"Applicable Laws" shall mean all laws of any relevant jurisdiction in force for the time being and from time to time and (i) applicable to the MSOT or the Trustee (in its capacity as trustee of MSOT) or (ii) applicable to or affecting the Company or the operations or ownership of the Company or the whole or any part or member of the Group;"

““Applicable Regulatory Requirements” shall mean all regulatory requirements in force for the time being and from time to time and (i) applicable to the MSOT or the Trustee (in its capacity as trustee of MSOT) or (ii) applicable to or affecting the Company or the operations or ownership of the Company or the whole or any part or member of the Group;”

““Court Scheme” shall mean the Company’s scheme of arrangement effective on or about 13 August 2012;”

““Dispose” shall mean (i) to sell or otherwise dispose of shares in the Company or (ii) to enter into any other arrangement having comparable financial economic effect (and “Disposal” shall be construed accordingly);”

““Encumbrance” shall mean any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, usufruct, retention of title, right of pre-emption, right of first refusal, pledge or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;”

““Group” shall mean the Company and its subsidiaries as defined in section 2 of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong);”

““ITAR” shall mean the International Traffic in Arms Regulations promulgated pursuant to the United States Arms Export Control Act of 1976, as amended;”

““MSOT” shall mean the AsiaSat Management Stock Ownership Trust (as the same may be amended from time) as constituted by the Trust Deed;”

““Ordinary Shares” shall mean the ordinary shares of par value HK\$0.10 each, with the rights, preferences and privileges contained in these Bye-laws;”

““Plan” shall mean the AsiaSat Management Incentive Award Plan constituted by the combination of the Trust Deed and the rules governing and applicable to participation in the plan as adopted and varied from time to time;”

““Preference Shares” shall mean the redeemable preference shares of par value HK\$0.10 each, with the rights, preferences and privileges contained in these Bye-laws;”

““Relevant Regulatory Agencies” shall mean the U.S. State Department (or any successor U.S. regulator) and any other agency of any government with jurisdiction over a relevant regulatory issue;”

““Trust Deed” shall mean the trust deed dated 2 April 2012 constituting the MSOT;”

““Trustee” shall mean the trustee of the MSOT for the time being and from time to time acting in that capacity;”

By deleting the definitions of “Clearing House”, “associates” and “Listing Rules” in the existing Bye-law 1 in its entirety.

By deleting the definitions of “share” and “the Company” or “this Company” in the existing Bye-law 1 in its entirety and substituting with the following definitions:

“share” shall mean a share in the capital of the Company (including the Ordinary Shares and the Preference Shares) and includes stock except where a distinction between stock and shares is expressed or implied;”

“the Company” or “this Company” shall mean Asia Satellite Telecommunications Holdings Limited, an exempted company incorporated under that name in Bermuda on 10 May, 1996;”

By adding the following paragraphs after the paragraph of “References to any Bye-laws by number are to the particular Bye-law of these Bye-laws.”

“Any reference, express or implied, to an enactment or other Applicable Law and Regulation (which includes any relevant legislation or regulation in any jurisdiction) includes references to:

- (i) that enactment or other legislation or regulation as amended, extended or applied by or under any other enactment or legislation (before or after the date of these Bye-laws);
- (ii) any enactment or other legislation or regulation which that enactment or other legislation or regulation re-enacts or replaces (with or without modification); and
- (iii) in the case of any enactment or other legislation, any subordinate legislation made (before or after the date of these Bye-laws) under that enactment or other legislation, as re-enacted, replaced, amended, extended or applied as described in paragraph (i) above, or under any enactment or other legislation referred to in paragraph (ii) above.

Any reference in Bye-law 4B to a document (or any part of that document) includes an amendment or supplement to, or replacement or novation of, that document (or any relevant part of that document).”

(2) **Bye-law 3**

By re-numbering the paragraph (A) of the Bye-laws 3 to paragraph (A1) and adding the words “, provided always that such purchase is effected in accordance with the provisions of the Companies Act and these Bye-laws” after the words “subject to such conditions as it thinks fit” in the last line of the paragraph (A) of the existing Bye-law 3.

By adding the following paragraph (A2) and paragraph (A3) after the paragraph (A) of the existing Bye-law 3:

“(A2) The Board may at its discretion authorise the acquisition by the Company of its own shares, to be held as treasury shares, upon such terms as the Board may in its discretion determine, provided always that such acquisition is effected in accordance with the provisions of the Companies Act. The Company shall be entered in the register of members as a shareholder in respect of the shares held by the Company as treasury shares and shall be a shareholder of the Company but subject always to the provisions of the Companies Act and for the avoidance of doubt the Company shall not exercise any rights and shall not enjoy or participate in any of the rights attaching to those shares save as expressly provided for in the Companies Act.

(A3) No purchase by the Company of its own shares may be effected except (in all cases) in compliance with all Applicable Law and Regulation and (specifically) such purchase by the Company (and any resulting change in ownership and/or control) complies with ITAR. Moreover, no purchase by the Company of its own shares shall be effected unless prior thereto notice has been given to, and clearance received from, the Relevant Regulatory Agencies to proceed with such purchase.”

(3) **Bye-law 4**

By adding the words “, provided that such issue is in compliance with all Applicable Law and Regulation and (specifically) such issue by the Company (and any resulting change in ownership and/or control) complies with ITAR” after the words “determine)” in the 7th line of the existing Bye-law 4.

By adding the following Bye-law 4A and Bye-law 4B after the existing Bye-law 4:

“4A. The rights attaching to the Ordinary Shares shall, subject to these Bye-laws, be as follows:

- (a) be entitled to one vote per Ordinary Share;
- (b) be entitled to any and all such dividends as the Board may from time to time declare;
- (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, subject to Bye-law 4B.2 be entitled to the surplus assets of the Company; and
- (d) generally be entitled to enjoy all of the rights attaching to shares.

4B. The Company's Preference Shares were issued credited as fully paid up pursuant to the Court Scheme effective on or about 13 August 2012. The rights attaching to the Preference Shares shall, subject to these Bye-laws, as follows.

4B.1 As to voting and related matters

- (a) On a poll at any general meeting of the Company the holders of Preference Shares issued and outstanding for the time being shall have one vote in respect of each Preference Share held.
- (b) The voting rights conferred by the Preference Shares shall rank *pari passu* with the voting rights conferred by the Ordinary Shares.
- (c) The Preference Shares and Ordinary Shares shall rank *pari passu* in terms of the procedures and rules for general meetings of the Company and shareholder votes set out in Bye-laws 68 to 72 (General Meetings), Bye-laws 73 to 83 (Proceedings at General Meetings), and Bye-laws 84 to 96 (Vote of Members).
- (d) The Preference Shares and Ordinary Shares are separate classes, but for the purposes of all the Bye-laws referred to in paragraph (c) above, holders of Preference Shares and Ordinary Shares shall be treated as shareholders of equal standing and entitled to attend the same general meeting except in respect of matters that, pursuant to Applicable Law and Regulation and these Bye-laws, require approval by each class of the Company's shareholders.

4B.2 As to capital

On a return of capital on a winding up or otherwise, the assets of the Company available for distribution to its shareholders shall be applied:

- (a) firstly, in repaying to holders of Preference Shares the nominal amount of each Preference Share; and
- (b) thereafter (to the extent of any surplus assets remaining after the payments under subparagraph (a) above), in making payments to and among the holders of the Ordinary Shares rateably according to the nominal amounts of capital paid up or credited as paid up on those Ordinary Shares (and so that the holders of the Preference Shares shall have no right of participation in those assets) and Bye-law 186 shall be interpreted and applied accordingly.

4B.3 As to income and other rights

- (a) Other than on a return of capital pursuant to Bye-law 4B.2(a), a Preference Share shall not confer any right to receive a dividend or other distribution to holders of shares made at any time prior to the Company's winding up.

- (b) A Preference Share shall not confer any right to share or participate in any entitlement conferred by the Ordinary Shares including (without limitation) any entitlement of holders of Ordinary Shares to participate in an offer for subscription of further new shares of any class or description.

4B.4 *As to redemption*

- (a) Subject to the following provisions of this Bye-law 4B.4, and provided that prior notice has been given to, and clearance received from, the Relevant Regulatory Agencies, the Company may at any time, on the approval of the shareholders in general meeting, redeem all or any of the Preference Shares for the time being in issue at par value or such other value as the Board may determine.
- (b) In the case of a partial redemption, the number of Preference Shares to be redeemed from each holder shall (if there is more than one holder) be determined by the Board rateably according to the number of Preference Shares held by each holder.
- (c) On each occasion when the Company determines to redeem any Preference Share(s), the Company shall give at least 14 days' notice in writing to the holders of Preference Shares to be redeemed (a **Redemption Notice**). A Redemption Notice shall specify the Preference Shares to be redeemed (**Relevant Preference Shares**), the date when the redemption is to be effective (the **Redemption Date**) and the place at which the certificate for the Relevant Preference Shares is to be presented. Upon service of a Redemption Notice the Relevant Preference Shares shall become due for redemption on the Redemption Date and each holder of Relevant Preference Shares shall become bound to surrender to the Company for cancellation the certificate for the Relevant Preference Shares at the specified location on the Redemption Date.
- (d) On the Redemption Date, subject to the holder of the Relevant Preference Shares duly presenting the certificate for the Relevant Preference Shares at the location specified in the Redemption Notice, the Company shall pay to the holder the redemption monies due on the Relevant Preference Shares redeemed.
- (e) If the holder of the Relevant Preference Shares does not present the certificate for the Relevant Preference Shares at the specified location on the Redemption Date, the Relevant Preference Shares will nevertheless be redeemed, but the Company shall not be obliged to pay the redemption monies until the certificate for the Relevant Preference Shares is duly provided.
- (f) Within 28 days of the date of delivery of the certificate for the Relevant Preference Shares, the Company shall send to the holder of the Relevant Preference Shares a new certificate for any non-redeemed Preference Shares comprised in any certificate surrendered by him.

- (g) No redemption of Preference Shares is permissible or effective except (in all cases) in compliance with all Applicable Law and Regulation and (specifically) the redemption (and any resulting change in ownership and/or control) complies with ITAR. Moreover, no redemption of Preference Shares shall be permissible or effective unless prior thereto notice has been given to, and clearance received from, the Relevant Regulatory Agencies to proceed with the proposed redemption.

4B.5 *Capital reorganisations*

- (a) If the Company resolves to divide, consolidate or sub-divide its Ordinary Shares, or to change the denomination of its Ordinary Shares, pursuant to any of the provisions of Bye-law 66(A), the Company shall ensure that an equivalent change or equivalent action shall be made or undertaken to ensure that the nominal value of each Preference Share remains equal to the nominal value of an Ordinary Share and that the voting and economic interests of the Company's shareholders in the Company shall not be affected by such division, consolidation or sub-division.
- (b) If the Company resolves to divide, consolidate or sub-divide its Preference Shares, or to change the denomination of its Preference Shares, pursuant to any of the provisions of Bye-law 66(A), the Company shall ensure that an equivalent change or equivalent action shall be made or undertaken to ensure that the nominal value of each Ordinary Share remains equal to the nominal value of a Preference Share and that the voting and economic interests of the Company's shareholders in the Company shall not be affected by such division, consolidation or sub-division.
- (c) The Company shall effect any alteration of share capital under Bye-law 66(A) in a manner appropriate to achieve the objectives of paragraph (a) above, and shall not effect any alteration in relation to the Ordinary Shares unless the requirements of paragraph (a) above are met, and Bye-law 66 shall be interpreted and applied accordingly.
- (d) No capital reorganisation that would result in a reduction of the percentage voting share of the Preference Shares relative to all outstanding shares shall be permissible or effective unless prior thereto notice has been given to, and clearance received from, the Relevant Regulatory Agencies to proceed with the proposed capital reorganisation.

4B.6 *Variation of rights*

- (a) The issue or creation of new shares with priority over the entitlement attaching to the Preference Shares (and conferred on holders of Preference Shares) by Bye-law 4B.2 to preferential return of capital on winding up, shall be deemed to be a variation of the rights attaching to the Preference Shares requiring special majority approval of the holders of Preference Shares (i.e. passed by a majority of not less than 75% of the vote casted by such holders).

- (b) Subject to paragraph (a) above, the rights attaching to the Preference Shares (and conferred upon the holders of Preference Shares) shall not (and shall be deemed not to) be altered or varied in any respect by the creation or issue of further shares ranking *pari passu* therewith or in priority thereto.
- (c) No variation of rights that would result in a reduction of the percentage voting share of the Preference Shares relative to all outstanding shares shall be permissible or effective unless prior thereto notice has been given to, and clearance received from, the Relevant Regulatory Agencies to proceed with the proposed variation of rights.

4B.7 *General Matters*

A Preference Share shall not entitle the holder to participate in the profits or assets of the Company except as expressly stated in these Bye-laws.”

(4) **Bye-law 5**

By adding the words “and Bye-law 4B” after the words “Subject to the Statutes” in the 1st line of the existing Bye-law 5.

(5) **Bye-law 7**

By adding the words “and these Bye-laws” after the words “of issue of the shares of that class) may, subject to the provisions of the Statutes” in the 3rd line of the paragraph (A) of the existing Bye-law 7.

By adding the words “, provided that if the Company shall at any time have only one person holding issued shares of that class, such person present in person or by proxy (or, in the case of a member being a corporation, as the duly authorised representative of such corporation) shall form a quorum for the transaction of business at such separate general meeting held during such time” after the words “a corporation, as the duly authorised representative of such corporation) may demand a poll” in the last line of the paragraph (A) of the existing Bye-law 7.

(6) **Bye-law 8**

By adding the words “, provided that such issue is in compliance with all Applicable Law and Regulation and (specifically) such issue by the Company (and any resulting change in ownership and/or control) complies with ITAR” after the words “resolution shall prescribe” in the last line of the existing Bye-law 8.

(7) **Bye-law 9**

By adding the words “(including the proviso to Bye-law 8)” after the words “of these Bye-laws” in the 4th line of the existing Bye-law 9.

(8) Bye-law 10

By deleting the word “The” and replacing therefor the words “Subject to Bye-law 8 above, the” in the 1st line of the existing Bye-law 10.

(9) Bye-law 12

By adding the words “and provided that such disposal is in compliance with all Applicable Law and Regulation and (specifically) such issue by the Company (and any resulting change in ownership and/or control) complies with ITAR” after the words “no shares shall be issued at a discount” in the 5th line of the existing Bye-law 12.

By adding the words “and these Bye-laws” after the words “shares, comply with the provisions of the Statutes” in the 6th line of the existing Bye-law 12.

(10) Bye-law 14

By adding the words “and except for MSOT” after the words “law or as ordered by a court of competent jurisdiction” in the 2nd line of the existing Bye-law 14.

By adding the following Bye-law 14A after the existing Bye-law 14:

“14A.(A) Subject to the provisions of these Bye-laws, any shares of the Company held by the Company as treasury shares shall be at the disposal of the Board, which may hold all or any of the shares, dispose of or transfer all or any of the shares for cash or other consideration, or cancel all or any of the shares.

14A. (B) No disposal or transfer by the Company of shares of the Company may be effected except (in all cases) in compliance with all Applicable Law and Regulation and (specifically) such disposal or transfer by the Company (and any resulting change in ownership and/or control) complies with ITAR. Moreover, no disposal or transfer by the Company of shares of the Company shall be effected unless prior thereto notice has been given to, and clearance received from, the Relevant Regulatory Agencies to proceed with such disposal or transfer.”

(11) Bye-law 15

By deleting the words “and, while the issued share capital of the Company is, with the consent of the Board, listed on any stock exchange in Hong Kong, the Company shall keep a branch register in Hong Kong” after the words “members at such location outside Bermuda as the Board thinks fit” in the 3rd line of the paragraph (B) of the existing Bye-law 15.

(12) Bye-law 16

By deleting the words “or, if he shall so request, upon payment of a fee (not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, the maximum

amount prescribed or permitted from time to time by such stock exchange, and, in the case of any other share capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Board may from time to time determine) for every certificate after the first as the Board shall from time to time determine, such number of certificates for shares in stock exchange board lots (if any) or multiples thereof as he shall request and one for the balance (if any) of the shares in question” after the word “shares” in the 4th line of the existing Bye-law 16.

(13) Bye-law 20

By deleting the words “(not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, the maximum amount prescribed or permitted from time to time by such stock exchange, and, in the case of any other share capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Board may from time to time determine)” after the words “issued in lieu upon payment of such fee” in the 3rd line of the paragraph (A) of the existing Bye-law 20.

By deleting the words “(not exceeding, in the case of any share capital listed on a stock exchange in Hong Kong, the maximum amount prescribed or permitted from time to time by such stock exchange, and, in the case of any other share capital, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant register is situate, or otherwise in each case such other sum as the Board may from time to time determine)” after the words “it thinks fit, comply with such request subject to the payment of such sum” in the 4th line of the paragraph (B) of the existing Bye-law 20.

(14) Bye-law 21

By deleting the words “in the case of any share capital listed on a stock exchange in Hong Kong, the maximum amount prescribed or permitted from time to time by such stock exchange, and, in the case of any other capital,” after the words “payment of such fee, if any, not exceeding,” in the 2nd line of the existing Bye-law 21.

(15) Bye-law 23

By deleting the word “The” and replacing therefor the words “Subject to due compliance with all Applicable Law and Regulation and (specifically) compliance with ITAR, the” in the 1st line of the existing Bye-law 23.

(16) Bye-law 25

By adding the words “(for the avoidance of doubt excluding the Company in respect of any nil or partly paid shares held by the Company as treasury shares)” after the word “members” in the 2nd line of the existing Bye-law 25.

(17) **Bye-law 26**

By adding the words “A call may be revoked or postponed as the Board may determine.” after the words “place of payment and to whom such call shall be paid.” in the last line of the existing Bye-law 26.

(18) **Bye-law 28**

By deleting the existing Bye-law 28 in its entirety and replacing it with the word “Deleted”.

(19) **Bye-law 38**

By adding the words “and these Bye-laws and provided that the transfer is in compliance with all Applicable Law and Regulation including ITAR” after the words “Subject to the Statutes” in the 1st line of the existing Bye-law 38.

(20) **Bye-law 42**

By deleting the words “in the case of any share capital listed on a stock exchange in Hong Kong, the maximum amount prescribed or permitted from time to time by such stock exchange, and, in the case of any other share capital,” after the words “a fee not exceeding,” in the 1st line of the paragraph (i) of the existing Bye-law 42.

By deleting the word “and” after the words “where applicable, the instrument of transfer is properly stamped;” of the paragraph (v) of the existing Bye-law 42.

By adding the word “; and” after the words “respect thereto has been obtained” in the 2nd line of the paragraph (vi) of the existing Bye-law 42.

By adding the following paragraph (vii) after the paragraph (vi) of the existing Bye-law 42:

“(vii) such transfer is in compliance with all Applicable Law and Regulation and (specifically) complies with ITAR”

(21) **Bye-law 53**

By adding the words “, provided that such forfeiture is in compliance with all Applicable Law and Regulation and (specifically) such forfeiture by the Company (and any resulting change in ownership and/or control) complies with ITAR” after the words “that effect” in the 4th line of the existing Bye-law 53.

By deleting the word “The” and replacing therefor the words “Subject to the compliance with the requirements set out in this Bye-law 53 above, the” in the 5th line of the existing Bye-law 53.

(22) Bye-law 54

By adding the words “, provided that such sale or disposition is in compliance with all Applicable Law and Regulation and (specifically) such sale or disposition by the Company (and any resulting change in ownership and/or control) complies with ITAR” after the words “as the Board thinks fit” in the last line of the existing Bye-law 54.

(23) Bye-law 56

By deleting the word “The” and replacing therefor the words “Subject to the compliance with the requirements set out in Bye-law 54 above, the” in the 4th line of the existing Bye-law 56.

(24) Bye-law 58

By adding the words “, provided that such cancellation is also in compliance with all Applicable Law and Regulation and (specifically) such cancellation by the Company (and any resulting change in ownership and/or control) also complies with ITAR” after the words “incurred in respect of the share, and upon such further terms (if any) as it thinks fit” in the last line of the existing Bye-law 58.

(25) Bye-law 63

By deleting the word “The” and replacing therefor the words “Subject to due compliance with all Applicable Law and Regulation and (specifically) with ITAR, the” in the 1st line of the existing Bye-law 63.

(26) Bye-law 66

By deleting the word “The” and replacing therefor the words “Subject to due compliance with all Applicable Law and Regulation and (specifically) with ITAR, the” in the 1st line of the paragraph (A) of the existing Bye-law 66.

By deleting the word “The” and replacing therefor the words “Subject to due compliance with all Applicable Law and Regulation and (specifically) with ITAR, the” in the 1st line of the paragraph (B) of the existing Bye-law 66.

(27) Bye-law 74

By deleting the word “For” and replacing therefor the words “Subject to Bye-law 75, for” in the 1st line of the existing Bye-law 74.

By deleting the words “or, in the case of a member which is a clearing house (or its nominee), by proxy” after the words “representative)” in the 3rd line of the existing Bye-law 74.

(28) Bye-law 75

By adding the words “If a quorum is not present at the adjourned meeting, the shareholder or shareholders present at such adjourned meeting shall for all purposes, be deemed to form a quorum provided that:” after the words “and place as shall be decided by the Board.” in the last line of the existing Bye-law 75.

By adding the following paragraph (a) and paragraph (b) after the existing Bye-law 75:

- “(a) prior notice has been given to, and clearance (if any such clearance is required by ITAR or the U.S. State Department) is received from ITAR or the U.S. State Department (or any successor U.S. regulator or relevant agency of the U.S. State Department) to proceed with the matter(s) to be resolved at the adjourned meeting; and
- (b) the shareholder or shareholders present at the adjourned meeting hold in aggregate, no less than two-thirds of the total issued voting shares in the Company.”

(29) Bye-law 78

By deleting the paragraph (ii) of the existing Bye-law 78 in its entirety and replacing it with the word “Deleted”.

(30) Bye-law 83

By adding the word “Companies” after the words “Subject to the” in the 1st line of the existing Bye-law 83.

(31) Bye-law 85

By deleting the words “or (being a proxy or proxies appointed by a member of the Company which is a clearing house or its nominee) is represented by one or more proxies” after the words “present by a representative duly authorised under Section 78 of the Companies Act” in the 4th line of the existing Bye-law 85.

(32) Bye-law 85A

By deleting the existing Bye-law 85A in its entirety and replacing it with the word “Deleted”.

(33) Bye-law 90

By deleting the words “A proxy or proxies appointed by a member of the Company which is a clearing house (or its nominee) shall be entitled to vote on a show of hands and generally

to exercise the same powers on behalf of the member for which it acts as proxy as such member could exercise (and, in cases where such member is a corporation, as such member could exercise if it were an individual).” after the words “same occasion.” in the 5th line of the paragraph (A) of the existing Bye-law 90.

(34) Bye-law 96

By deleting the paragraph (B) of the existing Bye-law 96 in its entirety and replacing it with the word “Deleted”.

(35) Bye-law 99

By deleting the word “Subjects” and replacing therefor the word “Subject” in the 1st line of the existing Bye-law 99.

(36) Bye-law 117

By deleting the existing Bye-law 117 in its entirety and replacing it with the word “Deleted”.

(37) Bye-law 134

By adding the word “not” after the words “of votes, and in case of an equality of votes the Chairman shall” in the 2nd line of the existing Bye-law 134.

(38) Bye-law 177

By deleting the words “or (in the case of a notice) by advertisement in English in a leading English language daily newspaper and (if the Relevant Territory is Hong Kong) in Chinese in a leading Chinese language daily newspaper circulating in the Relevant Territory” and replacing therefor the words “by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such member to the Company for such purpose; or by delivering it in accordance with the provisions of the Companies Act (including those pertaining to delivery of electronic records by publication on a website)” in the 5th line of the existing Bye-law 177.

(39) Bye-law 178

By deleting the existing Bye-law 178 in its entirety and replacing it with the word “Deleted”.

(40) Bye-law 179

By adding the words “Any notice delivered by electronic means shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission. Any notice delivered by publication on a website in accordance with the

Companies Act shall be deemed to have been delivered at the time when the requirements of the Companies Act in that regard have been met.” after the words “notice was so addressed and posted shall be conclusive evidence thereof.” in the last line of the existing Bye-law 179.

(41) Bye-law 186

By deleting the words “members in proportion to the aggregate nominal value of the shares held by them respectively” and replacing therefor the words “holders of the Ordinary Shares in accordance with Bye-law 4B above” in the 2nd line of the existing Bye-law 186.

(42) Bye-law 187

By adding the words “The winding up and liquidation shall be conducted in accordance with International Traffic in Arms Regulations (ITAR - 22 C.F.R. Chapter I, Subchapter M, Parts 120-130) or successor laws and regulations, including requirements for prior notification and approval of changes in end-user or end-use, and the requirement that ITAR-controlled defense articles or defense services (i.e., technology) of the Company must not be owned or controlled by ineligible persons. To the extent that the winding up or liquidation fails to meet these requirements, the Company will not be eligible for U.S. State Department licenses or agreements and current licenses or agreements will be revoked.” after the words “other assets upon which there is a liability.” in the last line of the existing Bye-law 187.

(43) Bye-law 190 and Bye-law 191

By adding the following Bye-law 190 and Bye-law 191 after the existing Bye-law 189:

”Adoption of incentive plans

190. Subject to due compliance with all Applicable Law and Regulation and (specifically) with ITAR, the Board may, by resolution, adopt any incentive award plan to retain and incentivise the Company’s or Group’s employees. Subject to due compliance with all Applicable Law and Regulation and (specifically) with ITAR, the Company may, by ordinary resolution, replace or amend any incentive award plan to retain and incentivise the Company’s or Group’s employees.

Plan Limits

191. The Company shall ensure that, at all times, awards outstanding under the Plan (or any other replacement management incentive award plan as approved by the Board) shall be deemed to be allocated to not less than 1% of the Company’s issued Ordinary Shares from time to time.”

- (b) for the purpose of giving effect to the Scheme on the Effective Date (as defined in the Scheme):
- (i) the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares;
 - (ii) subject to and forthwith upon such reduction of share capital taking effect, the issued share capital of the Company shall be increased by the issue of 15,324,985 ordinary shares and 84,695,820 preference shares of HK\$0.10 each in the share capital of the Company; and
 - (iii) the Company shall apply the amount of the credit arising in its books of account as a result of the reduction of its share capital referred to in sub-paragraph (i) above in paying up in full at par the 15,324,985 new shares and 84,695,820 new preference shares of the Company as considered under sub-paragraph 1(b) above, which shall be allotted and issued to the Offeror (as defined in the Scheme) credited as fully paid (as defined in the Scheme).
- (c) the directors of the Company be authorised to do all acts and things necessary or desirable in connection with the implementation of the Scheme, including (without limitation) the giving, on behalf of the Company, of consent to any modification of, or addition to, the Scheme, which the Supreme Court of Bermuda may see fit to impose.”

By Order of the Board
Sue YEUNG
Company Secretary

Hong Kong, 25 June 2012

Principal Office in Hong Kong:
19th Floor, Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

Notes:

- (a) 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.
- (b) To be valid, a proxy form must be delivered to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 10:00 a.m. on Monday, 16 July 2012. 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 a proxy form will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he so wish.**

- (c) The register of members of the Company in Hong Kong and Bermuda will be closed from Monday, 16 July 2012 to Wednesday, 18 July 2012 (both days inclusive), during which period no transfer of shares in the Company will be allowed. In order to ascertain shareholders' rights for the purpose of attending and voting at the Special General Meeting, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Friday, 13 July 2012.

As at the date of this announcement, the Board comprises 12 directors. The Executive Director is Mr. William WADE. The Non-executive Directors are Mr. JU Wei Min (Chairman), Mr. Sherwood P. DODGE (Deputy Chairman), Mr. MI Zeng Xin, Mr. LUO Ning, Mr. Peter JACKSON, Mr. John F. CONNELLY, Ms. Nancy KU and Mr. Mark CHEN. The Independent Non-executive Directors are Professor Edward CHEN, Mr. Robert SZE and Mr. James WATKINS. The Alternate Director is Mr. CHONG Chi Yeung (alternate to Mr. MI Zeng Xin).

** For identification purpose only*