

OUTER SPACE ORDINANCE
(Cap. 523)
LICENCE

GRANT OF LICENCE

1. IN EXERCISE OF THE POWERS conferred by section 5 of the Outer Space Ordinance (hereinafter referred to as “the Ordinance”) the CHIEF EXECUTIVE hereby grants to Asia Satellite Telecommunications Company Limited (Company No.: 202761 and Business Registration No.: 11421708-000-11-10-7), a company incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China whose registered office is 19/F, Sunning Plaza, 10 Hysan Avenue, Causeway Bay, Hong Kong (hereinafter referred to as “the Licensee”), a licence under the Ordinance (hereinafter referred to as “this Licence”), for the period specified in Paragraph 2, subject to this Licence and the Ordinance, to carry out those activities specified in Paragraph 5, in relation to the satellite known as AsiaSat 7 (“the Satellite”).

THE LICENCE

2. Subject to compliance with the Conditions Precedent set out in Paragraph 3, this Licence shall come into force on the date of the Launch of the Satellite and remain in force until:
 - (1) revocation by the Chief Executive under the Ordinance;
 - (2) termination by the Licensee by not less than six months’ notice in writing subject to the provisions of Condition 2.1; or
 - (3) revocation by the Chief Executive in the event of an Unsuccessful Launch subject to the provisions of Condition 2.2.

In the event that the Launch of the Satellite has not taken place before 30 April 2012, this Licence shall not come into force and the Licensee shall return it to the Chief Executive.

3. This Licence shall not come into force unless the following conditions (“the Conditions Precedent”) have been complied with:

- (1) that unless otherwise approved by the Chief Executive, the Licensee shall have provided the Chief Executive with full information not less than fourteen days before the Launch of the Satellite as to the date and location of the Launch and the Initial Orbital Position of the Satellite, and the Licensee shall have taken all steps to ensure that the Launch and the subsequent operation of the Satellite conform with the information provided;
- (2) that the Licensee shall have provided to the Chief Executive a copy of a valid insurance policy or policies together with evidence of payment of premium of such policy or policies before the Launch of the Satellite, of not less than US\$300 million covering third party liabilities arising out of or in relation to an Unsuccessful Launch, or any of the Licensed Activities that may arise during and throughout the first twelve months after the date of Launch in accordance with Condition 4 of the Schedule.

4. The Licensee shall ensure that the Central People’s Government of the People’s Republic of China and the Government of the HKSAR are named as the co-insured of the insurance policy or policies mentioned in Paragraph 3(2), and that such insurance policy or policies shall remain valid and enforceable by the Central People’s Government of the People’s Republic of China and the Government of the HKSAR against the insurer until:

- (1) the end of the first twelve months after the Launch; or
- (2) the Chief Executive is satisfied that the Licensed Activities (as hereinafter defined) have been terminated and the Satellite disposed of or otherwise dealt with,

whichever is earlier.

5. The following activities are authorised by this Licence (hereinafter referred to as “the Licensed Activities”):

- (1) the Launch or the procuring of the Launch of the Satellite;
- (2) operation of the Satellite; and
- (3) conduct of tests in connection with the Satellite in the outer space.

6. In this Licence:

- (1) “AsiaSat 7” refers to the satellite with export licence number 050271816 issued by the United States Department of State;
- (2) “Chief Executive” means the officer for the time being administering the Government of the HKSAR and includes in relation to any purpose of this Licence any person or agency who is designated for that purpose by the Chief Executive;
- (3) “Condition” means a condition set out in the Schedule to this Licence;
- (4) “HKSAR” means the Hong Kong Special Administrative Region of the People’s Republic of China;
- (5) “Initial Orbital Position” means the location in the geostationary satellite orbit with the basic orbital parameters (including nodal period, inclination, apogee and perigee) at which the Satellite is intended to operate in the outer space, namely ✕ and:
 - (a) Period ✕
 - (b) Inclination ✕
 - (c) Apogee ✕
 - (d) Perigee ✕
 - (e) the planned orbital longitude ✕
 - (f) the planned latitude and longitude boundaries within which

the satellite will operate: ✕ ;

- (6) “Launch” means the intentional ignition followed by physical separation of the Satellite from the launch pad and the ground support equipment;
- (7) “Paragraph” means a paragraph in the main text of this Licence;
- (8) “Prevailing Orbital Position” means the Initial Orbital Position, or if there is a subsequent change in, or deviation or relocation of the orbital position of the Satellite in accordance with this Licence, the new orbital position of the Satellite following the change, deviation or relocation;
- (9) “TA” means the Telecommunications Authority referred to in the Telecommunications Ordinance (Cap.106);
- (10) “Unsuccessful Launch” means the intentional ignition followed by loss or destruction of the Satellite and/or the launch vehicle;
- (11) “Working Day” means any day other than (i) a Saturday; (ii) a public holiday, (iii) a gale warning day; or (iv) a black rainstorm warning day, each of (ii) to (iv) defined in section 71(2) of the Interpretation and General Clauses Ordinance (Cap.1);
- (12) save where the contrary intention appears expressly or by necessary implication in this Licence, words and expressions used in this Licence shall bear the same meaning, if any, as in the Ordinance and in the Interpretation and General Clauses Ordinance (Cap. 1), and in the event of any conflict or inconsistency between their meanings, the meaning in the Ordinance shall prevail over that in the Interpretation and General Clauses Ordinance (Cap. 1);
- (13) the headings in this Licence are inserted for convenience only and shall not vary, limit, extend or affect the interpretation or construction of this Licence;

- (14) the Schedule shall form and be read as an integral part of this Licence;
- (15) all references herein to an Ordinance, subsidiary legislation, regulation, direction, code of practice, this Licence, the Schedule, any other licence or document, or any provision thereof include that from time to time in force and that enacted or made (as the case may be) in place or substitution in whole or in part of that Ordinance, subsidiary legislation, regulation, direction, code of practice, this Licence, the Schedule, such other licence or document, or any provision thereof;
- (16) subject to any express terms or conditions herein, where this Licence requires any act, conduct, matter, issue or thing of the Licensee to be approved, the approval shall not be validly given unless given in writing under the hand of or on behalf of the person giving it;
- (17) save where the contrary intention appears expressly or by necessary implication, words and expressions:
 - (a) which import one gender include the other genders;
 - (b) which import the singular include the plural and vice versa; and
 - (c) extend to their grammatical variations and cognate expressions where those words and expressions are defined herein or by reference to any other definition;
- (18) if at any time any terms or conditions of this Licence are or become illegal, invalid or unenforceable in any respect, the legality, validity or enforceability of the remaining provisions shall not in any way be affected or impaired.

Issued on 23 November 2011

Telecommunications Authority:

(Miss Eliza Lee)

For and on the instruction of the Chief Executive dated 17 November 2011

Signed on behalf of the)
Licensee by its)
duly authorised agent)

in the presence of
(witness)

Date :

SCHEDULE

CONDITIONS INCLUDED UNDER SECTION 6 OF THE ORDINANCE

1. Inspection and testing

1.1 The Chief Executive may at any time by prior notice to the Licensee inspect the Licensee's facilities (including any plant, machinery and equipment) used or kept by the Licensee in relation to the Licensed Activities, and any records and documents in the possession and control of the Licensee which relate to the Licensed Activities or Unsuccessful Launch (including the Licensee's records as required to be kept by it under the terms and conditions of this Licence and any documents relating to information that may be required to be provided pursuant to this Licence), and the Licensee shall comply with such requests. If the Chief Executive so requests, the Licensee shall submit to him copies of any documents or records which the Chief Executive is entitled to request to be produced to him or have been or may be inspected by him under this Licence.

1.2 Upon written notice by the Chief Executive, the Licensee shall use its best endeavours to procure for the Chief Executive access to any facilities, documents or records relating to the Licensed Activities or Unsuccessful Launch not in the Licensee's possession or control as the Chief Executive may specify in the notice to the Licensee.

1.3 The Chief Executive may conduct such tests as he considers appropriate on any equipment (including computer software) used or kept by and under the Licensee's control in relation to the Licensed Activities.

2. Termination and Revocation of Licence

2.1 Without prejudice to the Chief Executive's power to revoke this Licence, the Licensee may at any time terminate this Licence by giving the Chief Executive not less than six months' advance notice in writing to that effect provided that:

- 2.1.1 no such termination shall take effect until the Chief Executive is satisfied that the Licensee has ceased to carry on the Licensed Activities and the Satellite has been disposed of or otherwise dealt with to the satisfaction of the Chief Executive; and
 - 2.1.2 any such termination shall be without prejudice to any liabilities of the Licensee that may have arisen pursuant to the provisions of this Licence or the Ordinance before the termination.
- 2.2 In the event of an Unsuccessful Launch, the Licensee shall immediately notify the Chief Executive in writing, and duly perform such acts as the Chief Executive may direct, and the Chief Executive may revoke the Licence, without prejudice to any liabilities of the Licensee that may have arisen, in relation to such Unsuccessful Launch and/or pursuant to the provisions of this Licence or the Ordinance before such revocation.

3. Licensee's obligations

- 3.1 The Licensee shall conduct the Licensed Activities in a proper manner, in compliance with this Licence and the laws of the HKSAR and in conformity with the international obligations of the People's Republic of China including obligations under international law. In particular the Licensee shall not:
- 3.1.1 conduct its operations in a manner which creates any risk of contamination of outer space, or adverse changes in the environment of the earth, or jeopardise public health or the safety of persons or property in any part of the world;
 - 3.1.2 interfere with the activities of others in the peaceful exploration and use of outer space;
 - 3.1.3 do, cause, permit or in any way participate in any actions or defaults, or otherwise fail to act in any manner which

may give rise to liabilities on the part of the People's Republic of China or the HKSAR;

3.1.4 impair in any way the national security of the People's Republic of China or the security of the HKSAR; or

3.1.5 without the prior approval in writing of the Chief Executive, cease to carry on any Licensed Activities otherwise than in accordance with this Licence or cease to control the operation of the Satellite.

3.2 The Licensee shall afford all reasonable assistance and co-operation as may be requested, and comply with any requirements made, by the Chief Executive in relation to this Licence or the Ordinance.

3.3 The Licensee shall notify the Chief Executive in writing within seven Working Days after the date of the Launch, the address at which the Licensee is to keep all records (including technical records and commercial records) in relation to the Licensed Activities. The Licensee shall not change the place at which such records are kept unless by seven Working Days' prior written notice to the Chief Executive. Such records shall be kept for at least seven years from the date on which this Licence is issued.

3.4 The Licensee shall take all steps to ensure that the positioning of the Satellite conforms with the Initial Orbital Position, or if the orbital position of the Satellite is changed, deviated or relocated in accordance with this Licence, the Prevailing Orbital Position. Within fourteen days after the date of the Launch, the Licensee shall submit to the Chief Executive in writing the following information:

(a) the date and location of the actual Launch; and

(b) the basic orbital parameters (including nodal period, inclination, apogee and perigee) of the Satellite after the Launch.

3.5 The Licensee shall not without the prior written approval of the Chief Executive:

3.5.1 change or relocate the Satellite from its Prevailing Orbital Position; or

3.5.2 knowingly, recklessly or negligently cause or permit any change in, deviation or relocation (other than due to moral functional decay) of the orbital parameters of the Satellite from its Prevailing Orbital Position.

Without prejudice to the foregoing, the Licensee shall immediately notify the Chief Executive in writing of any change in, or deviation or relocation of the Prevailing Orbital Position for any reason whatsoever.

3.6 The Licensee shall, within seven Working Days (or such other period as may be agreed by the Chief Executive) of any request by the Chief Executive, provide to the Chief Executive in writing any of the following:

3.6.1 information as to the date, nature, conduct, location and results of the Licensed Activities;

3.6.2 any records or documents relevant to the information in Condition 3.6.1 above, in the possession or control of the Licensee;

3.6.3 the Licensee's current estimate of the remaining working life of the Satellite and its proposals for disposing of the same on termination of the Licensed Activities; or

3.6.4 such other information, records or documents as the Chief Executive may require in relation to this Licence.

3.7 The Licensee shall not dispose of the Satellite or of the payload (or any part thereof) without the prior written approval of the Chief Executive. The Licensee shall notify the Chief Executive as soon as practicable after the final disposal of the Satellite or of

the payload (or any part thereof).

- 3.8 The Licensee shall not, without the prior written approval of the Chief Executive, assign, sub-contract or otherwise dispose of all or part of, or any interest in, this Licence, or part with the control or operation of any of the Licensed Activities.
- 3.9 The Licensee shall not, without the prior written approval of the Chief Executive, transfer, mortgage, charge or otherwise in any way dispose of all or part of the legal or beneficial ownership of the Satellite.
- 3.10 The Licensee shall, for the purpose of obtaining the Chief Executive's approval under Condition 3.8 and Condition 3.9 above, provide such information which the Licensee has or may reasonably acquire, and which the Chief Executive may reasonably require to enable the Chief Executive to determine whether or not the proposed assignee or sub-contractor will require a licence under the Ordinance.
- 3.11 The Licensee shall at all times comply with and observe the laws of HKSAR, and all international conventions, agreements, protocols, understandings, sanctions or the like to the extent that the relevant instrument described in this Condition 3.11 imposes obligations on the People's Republic of China or the HKSAR, except to the extent that the Chief Executive may in writing exempt the Licensee from such compliance.
- 3.12 Without limiting or affecting in any way the Licensee's obligations under any this Licence, the Licensee shall comply with all codes of practice or guidelines which may be issued by the Chief Executive, the TA, or any of their offices from time to time in relation to this Licence. Before issuing any such codes of practice or guidelines, the Chief Executive, the TA, or any of their offices shall carry out such consultation as the Chief Executive, the TA, or their respective office considers reasonable in all circumstances of the case.
- 3.13 Without limiting the generality of Condition 3.12, the Licensee

shall comply with the “Guidelines for De-commissioning of Satellite and Mitigation of Space Debris” issued by the TA on 31 July 2007 as may be amended from time to time.

4. Insurance

- 4.1 The Licensee shall maintain insurance, to insure itself against all third party liabilities, including damages or losses suffered by any person, company or state anywhere, arising out of or in relation to an Unsuccessful Launch, or any of the Licensed Activities throughout the first twelve months after the Launch.
- 4.2 In the event that the Satellite does not reach the Initial Orbital Position or the Prevailing Orbital Position (as the case may be), the Chief Executive may require the Licensee to take out additional insurance forthwith for such purpose and for such value as the Chief Executive may reasonably specify.
- 4.3 The Licensee shall provide evidence of the policy or policies of insurance entered into to comply with its obligations under the terms of this Licence to the Chief Executive upon demand together with evidence of payment of the premiums in respect of such policy or policies. The Licensee shall not vary or permit any variation of the terms of any of such policies of insurance, nor add or vary, or permit any addition to or variation of any insured named in such insurance policy or policies without the prior written approval of the Chief Executive, which shall not be unreasonably refused or delayed.
- 4.4 The Licensee shall ensure that the Central People’s Government of the People’s Republic of China and the Government of the HKSAR are named as the insured in all such insurance policy or policies referred to in Paragraph 3(2), Condition 4.1 and Condition 4.2 above, or ensure that their interests are secured in a manner satisfactory to both of them.
- 4.5 The Licensee shall immediately notify the Chief Executive of any event or other occurrence which has given rise or is likely to give rise to a claim by or against any third party.

5. Additional Condition

5.1 It shall also be a condition for the continued validity of this Licence that:

5.1.1 the Licensee has full corporate power and legal capacity, and has taken all necessary corporate action to enable it to perform its obligations under this Licence;

5.1.2 the Licensee's application for a licence under the Ordinance, its carrying on the Licensed Activities and performance of its obligations under this Licence and the Ordinance will not, to the best of its knowledge, information and belief, constitute any breach or default under or in respect of any contractual, governmental or public obligation binding upon it; and

5.1.3 the Licensee is not engaged in any litigation or arbitration proceedings which might have a material adverse effect upon its capacity or ability to perform its obligations under this Licence,

provided always that the granting of this Licence shall in no way be construed as a waiver by the Chief Executive of any failure on the part of the Licensee to comply with any condition hereunder prior to the date of grant.

5.2 The Licensee shall notify the Chief Executive immediately upon its becoming aware of any legal or arbitration proceedings being brought against it (i) in relation to the Licensed Activities or Unsuccessful Launch; or (ii) which may affect and bear relevance to the Licensee's capacity and standing as a licensee under the Ordinance.

6. Addresses for sending notices

6.1 Any notice required to be given to the Licensee shall be addressed to it at 19/F, Sunning Plaza, 10 Hysan Avenue, Causeway Bay,

Hong Kong. Any notice required to be given to the Chief Executive shall be addressed to Director-General of Telecommunications at 29/F Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong or at such other address as may from time to time be notified, by facsimile to fax number 2803 5111 or such other number as may from time to time be notified to the Licensee.

- 6.2 The Licensee shall notify the Chief Executive in advance in writing of any change of address for the service of notices.