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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF SPEEDCAST HOLDINGS LIMITED

The Company announces that on 21 September 2012, AsiaSat, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser and the Target Company, pursuant to which AsiaSat shall dispose of the entire issued share capital of the Target Company to the Purchaser at a consideration of US\$32,240,900 (equivalent to approximately HK\$251,479,000).

Since one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE AGREEMENT

Date

21 September 2012

Parties

- (1) AsiaSat, an indirect wholly-owned subsidiary of the Company and the vendor of the entire issued share capital of the Target Company;
- (2) The Purchaser, the purchaser of the entire issued share capital of the Target Company; and
- (3) The Target Company, an indirect wholly-owned subsidiary of the Company held through AsiaSat prior to completion of the Disposal, the entire issued share capital of which is the subject of the Disposal.

The Purchaser has notified the Company that certain management members of the Target Company (none of whom are directors of the Target Company before the Disposal) will acquire a minority interest in the Purchaser following completion of the Disposal. Such acquisition, if completed, would not render the Purchaser a connected person of the Company. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Subject matter

Pursuant to the Agreement, AsiaSat shall dispose of the entire issued share capital of the Target Company to the Purchaser.

The Target Company (together with its subsidiaries) is a leading global network and satellite telecommunications service provider offering high-quality managed network services in more than 30 countries throughout Asia, the Middle East and Africa.

For the two financial years ended 31 December 2010 and 2011, the audited consolidated net profits (both before and after taxation and extraordinary items) of the Target Company were approximately HK\$22,914,000 and HK\$24,989,000 respectively.

Upon completion of the Disposal, which took place on the date of the Agreement, the Target Company ceased to be a subsidiary of the Company.

Consideration

The total consideration for the Disposal is US\$32,240,900 (equivalent to approximately HK\$251,479,000), US\$25,101,900 (equivalent to approximately HK\$195,795,000) of which is payable on the date of the Agreement. The remaining balance shall be paid by the Purchaser to AsiaSat in stages by way of unsecured promissory notes, the final payment of which shall become due and payable within thirty (30) days from the date of the Agreement.

The total consideration for the Disposal was arrived at after arm's length negotiation between AsiaSat and the Purchaser and with reference to: (i) the consolidated net assets value of the Target Company of approximately HK\$77,124,000 as at 31 December 2011; and (ii) goodwill attributable to the Target Company at the time of acquisition of the entire interest in the Target Company by the Group.

Non-competition

Pursuant to the Agreement, AsiaSat has agreed not to, and shall cause any person or entity controlled by AsiaSat not to, subject to certain limited exceptions, directly or indirectly, in any manner operate any business anywhere in the world that competes with, or is substantially similar to, the principal business of the Target Company for a period of five (5) years from the date of the Agreement.

INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company. The Company has been informed by the Purchaser that after completion of the Disposal, the Purchaser may appoint Mr. Peter Jackson, a non-executive Director of the Company, as a director of the Purchaser.

INFORMATION ON THE GROUP

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

REASONS FOR AND BENEFITS OF THE DISPOSAL

It has been the Company's policy to explore opportunities from time to time for acquisitions, disposals and other structuring possibilities. The Company considers that the Disposal represents an attractive opportunity for the Group to realise its investment in the Target Company.

It is expected that the Group will record a gain of approximately HK\$135,680,000 as a result of the Disposal, which is calculated with reference to (i) the sum of the total consideration for the Disposal; (ii) the carrying value of the Target Company of approximately HK\$77,124,000 as at 31 December 2011; and (iii) goodwill attributable to the Target Company at the time of acquisition of the entire interest in the Target Company by the Group. However, the actual gain recorded by the Group on the Disposal may be different from the expected amount as stated above, as such amount will depend on, among other things, the actual carrying value of the Target Company as at the date of completion of the Disposal.

The proceeds from the Disposal are expected to be added to the general funds of the Group.

The Directors (including the independent non-executive Directors) consider the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement dated 21 September 2012 entered into between AsiaSat, the Purchaser and the Target Company whereby AsiaSat shall dispose of the entire issued share capital of the Target Company to the Purchaser;
“AsiaSat”	Asia Satellite Telecommunications Company Limited, an indirect wholly-owned subsidiary of the Company incorporated under the laws of Hong Kong;
“Company”	Asia Satellite Telecommunications Holdings Limited, an investment holding company incorporated under the laws of Bermuda, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the entire issued share capital of the Target Company by AsiaSat pursuant to the terms of the Agreement;
“Group”	the Company and its subsidiaries from time to time;
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Purchaser”	SpeedCast Acquisitions Limited, a Cayman Islands exempt company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it by the Listing Rules;
“Target Company”	SpeedCast Holdings Limited, a Cayman Islands exempt company and an indirect wholly-owned subsidiary of the Company prior to completion of the Disposal;

“US\$” or “US dollars”

United States dollars, the lawful currency of the United States of America; and

“%”

per cent.

The conversions of HK dollars into US dollars are for convenience only and have been made at a rate of US\$1.00 to HK\$7.80. Such conversions should not be construed as representations that the US dollar amounts could be converted into HK dollars at that or any other rate.

By order of the Board
Sue Yeung
Company Secretary

Hong Kong, 21 September 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*