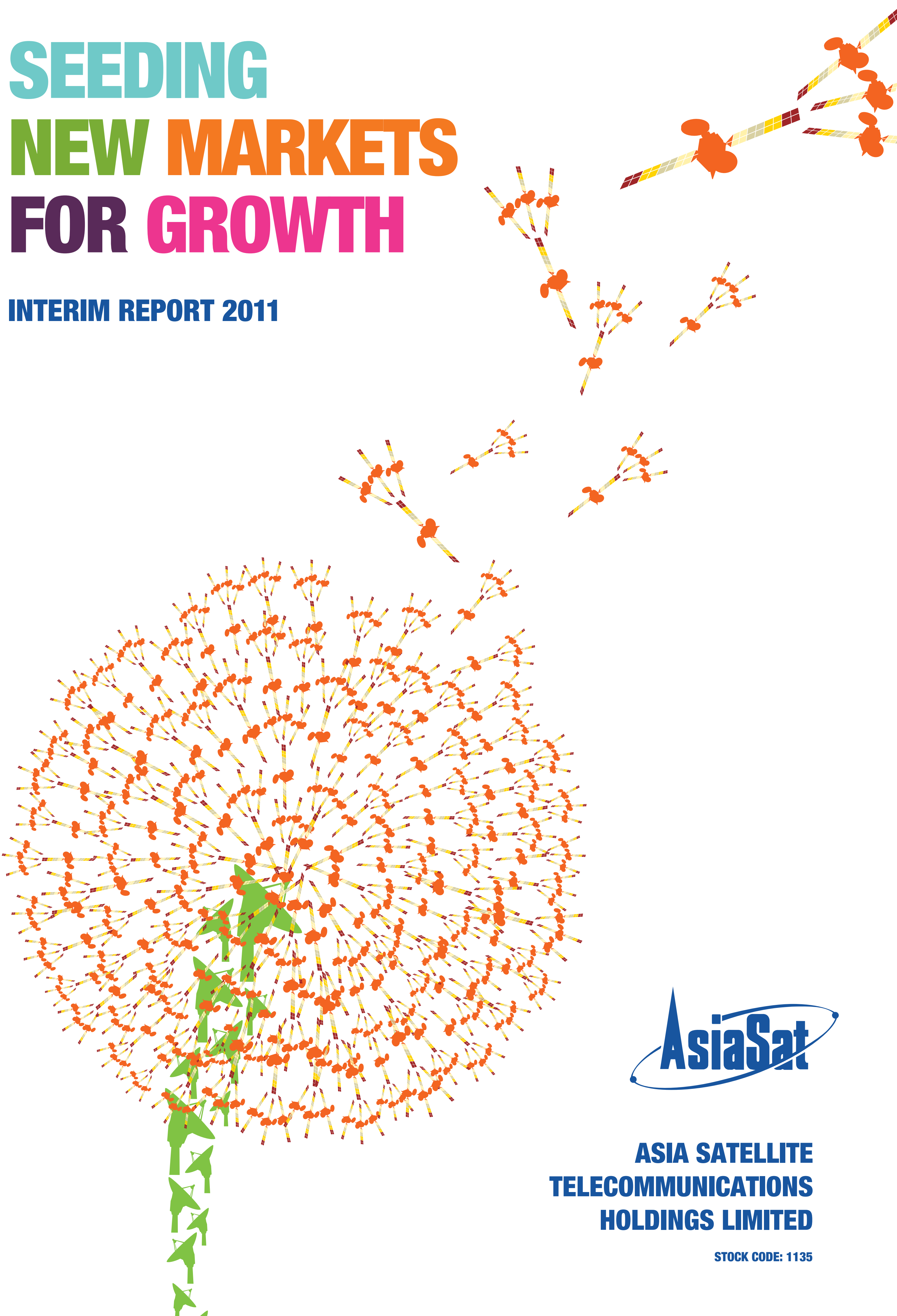
SEEDING NEW MARKETS FOR GROWTH

INTERIM REPORT 2011



AsiaSat

ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED

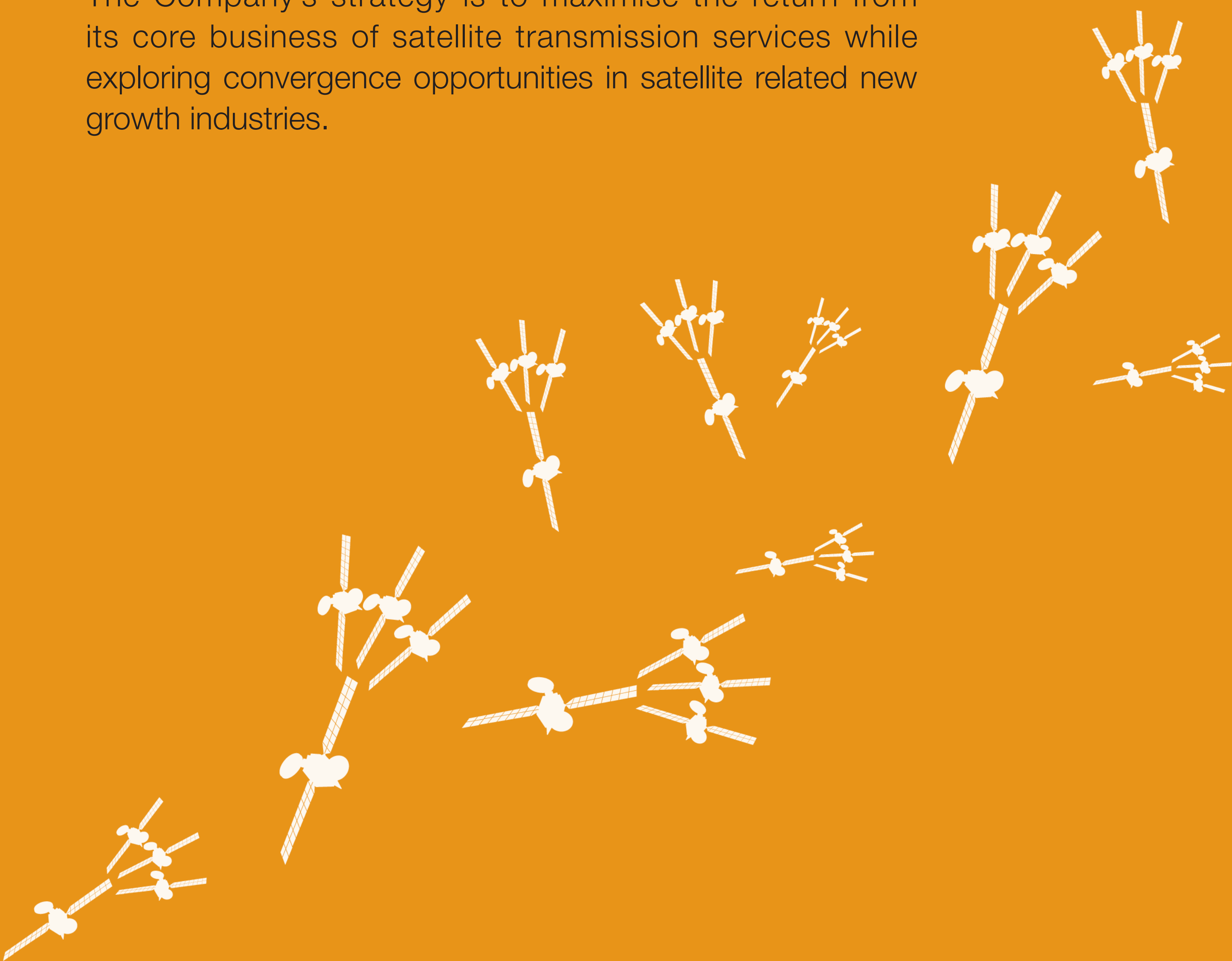
STOCK CODE: 1135

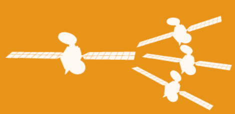
About AsiaSat

Asia Satellite Telecommunications Holdings Limited (the "Company") indirectly owns Asia Satellite Telecommunications Company Limited ("AsiaSat") and other subsidiaries (collectively the "Group") and is listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") (Stock Code 1135).

AsiaSat is Asia's premier provider of high quality satellite services to the broadcasting and telecommunications markets. The Group owns and operates three satellites, that are located in prime geostationary positions over the Asian landmass and provide access to two-thirds of the world's population.

The Company's strategy is to maximise the return from its core business of satellite transmission services while exploring convergence opportunities in satellite related new growth industries.





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Corporate Information

Executive Chairman
Peter JACKSON
(retired on 31 July 2011)

Chairman and Non-executive Director
Sherwood P. DODGE
(appointed as Chairman on 1 August 2011)

Deputy Chairman and Non-executive Director
MI Zeng Xin

Executive Director
William WADE
(President and Chief Executive Officer)

Non-executive Directors
JU Wei Min
LUO Ning
GUAN Yi
John F. CONNELLY
Nancy KU
Mark CHEN

Independent Non-executive Directors
Edward CHEN
Robert SZE
James WATKINS

Audit Committee
Robert SZE *(Chairman)*
Edward CHEN
James WATKINS
JU Wei Min *(Non-voting)*
Mark CHEN *(Non-voting)*

Nomination Committee
Edward CHEN *(Chairman)*
MI Zeng Xin
Sherwood P. DODGE

Remuneration Committee
James WATKINS *(Chairman)*
JU Wei Min
Nancy KU

Company Secretary
Sue YEUNG

Authorised Representatives
William WADE
Sue YEUNG

Auditor
PricewaterhouseCoopers

Principal Bankers
The Hongkong and Shanghai Banking Corporation Limited

Other Bankers
China Construction Bank (Asia) Corporate Limited
DBS Bank Limited (Hong Kong Branch)
Standard Chartered Bank (Hong Kong) Limited

Principal Solicitors
Mayer Brown JSM
Paul, Weiss, Rifkind, Wharton & Garrison

Registered Office
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head Office
19/F Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

Chairman's Statement

ASIAN ECONOMIC GROWTH GENERATES GREATER DEMAND

Improved financial performance

Asia Satellite Telecommunications Company Limited ("AsiaSat") is a long-established premium satellite operator with prime orbital slots, relaying high power signals across footprints that stretch from Australasia to the Middle East and Russia. This competitive edge positions the Company to capitalise on the continuing expansion of communications and video taking place across the markets we serve.

This situation held true in the first six months of 2011 which saw continued growth for AsiaSat. The generally favourable economic climate in the region stimulated growth across most of our customers which include broadcasters, content providers, telecommunications operators, broadband service providers and occasional-use clients engaged in satellite news gathering, video contribution and distribution services. The increase in demand and our Company's attractive service offering enabled us to improve on our financial performance as compared with the same period last year.

INTERIM RESULTS

Turnover

Turnover for the first half of 2011 was HK$802 million (2010: HK$690 million), representing an increase of 16% over the same period last year. This was primarily the result of continued growth in our core business, bolstered by significant contracts from new customers.

SpeedCast Holdings Limited ("SpeedCast"), reported first-half revenue of HK$118 million (2010: HK$95 million), an increase of 24% compared with the corresponding period in 2010 due to continued strong demand from customers in the broadband and maritime sectors.

Operating expenses

Operating expenses in the first half of 2011, excluding depreciation, totaled HK$175 million (2010: HK$166 million), representing an increase of 5% compared with the first half of 2010. This was mainly the result of incremental staff costs arising from headcount growth and was partially mitigated by savings in satellite insurance and savings in mainland China business tax.

Profit

Profit attributable to equity holders for the first half of 2011 was HK$367 million (2010: HK$305 million), an increase of 20%, achieved mainly as a result of strong revenue growth, greater interest income and careful management of costs during the period.

INTERIM RESULTS (CONTINUED)

Cash flow

For the six months to 30 June 2011, the Group generated a net cash inflow of HK$97 million (2010: HK$618 million) after capital expenditure of HK$267 million (2010: HK$202 million) and dividends of HK$176 million (2010: HK$125 million). In the same period last year over HK$400 million was received from customers' deposits and a bid bond refund. As of 30 June 2011, the Group reported a cash and cash equivalents balance of HK$2,383 million (31 December 2010: HK$2,286 million) and continues to be free of debt.

Dividend

The Board has decided to declare an interim dividend of HK$0.08 per share (2010: HK$0.08 per share), which will become payable on or about 3 November 2011 to equity holders on the share register as at 7 October 2011. The share register will be closed from 3 to 7 October 2011, both days inclusive.

CORPORATE DEVELOPMENT

Executive Chairman Peter JACKSON retired on 31 July 2011, following almost two decades of service to the Company, and I am delighted to have been appointed as Chairman of the Board on 1 August 2011.

SATELLITES

Our fleet

Construction of our AsiaSat 7 satellite progressed on schedule throughout the period under review, with launch expected in the fourth quarter of this year. This new addition to the fleet has been planned to eventually replace AsiaSat 3S.

During the first half of 2011, the Company's satellites continued to provide uninterrupted service to our customers offering unrivalled coverage of an area containing some two-thirds of the world's population across more than 50 countries.

The Group's total number of transponders leased or sold as of 30 June 2011 was 105 (31 December 2010: 97) with an overall utilisation rate of 80% (31 December 2010: 73%). This figure includes the six Hong Kong Broadcast Satellite Service (BSS) transponders that serve our direct-to-home (DTH) joint venture.

New contracts won during the period under review amounted to a total value of HK$367 million (2010: HK$494 million), while renewed contracts were worth HK$313 million (2010: HK$266 million). New and renewed contracts combined amounted to HK$680 million (2010: HK$760 million).

Chairman's Statement

MARKET REVIEW

As mentioned, continued improvement in the economies of the Asia-Pacific region gave rise to more investment and expansion among the various business segments we serve which, in turn, afforded AsiaSat the opportunity to grow with both new and existing customers. Several broad trends in our industry are worth noting:

Development of DTH satellite offerings and Internet Protocol Television (IPTV) platforms throughout Asia have had the effect of driving demand for more content and the requirement for more satellite capacity. India is now the largest DTH market in Asia, with more than 30 million viewers receiving TV programming directly by satellite dishes at home. As of July 2011, India was reported to have some 600 TV channels to choose from, with another 300 in the pipeline, creating incremental business opportunities for satellite operators such as AsiaSat.

The need for more content is also being driven by a gradual loosening of regulation, which is creating new DTH and pay-TV business opportunities.

Content providers are also seeking to satisfy a growing appetite for high-definition TV (HDTV), while simultaneously meeting continued strong demand for standard definition (SD) programming. The increasing production of three-dimensional (3D) programming, coupled with a greater availability of 3D TV sets, is also likely to increase demand in our industry over the medium term.

AsiaSat is also helping telecommunications operators serve the new data-hungry smartphone and tablet market by delivering content to mobile operators for onward distribution. Meanwhile our wholly-owned subsidiary SpeedCast (see "Subsidiaries" below) continues to provide bandwidth via very small aperture terminals (VSAT) in areas not adequately addressed by terrestrial infrastructure.

EARTH STATION EXPANSION

Expansion of Tai Po Earth Station in Hong Kong

The first six months of 2011 saw the commencement of a project to expand AsiaSat's earth station at Tai Po in Hong Kong. Planned for completion in early 2012, this project will include infrastructure for the installation of new antennae. This will enable the facility to offer a greater range of services to our customers in the broadcast and telecommunications industries.

The expanded Tai Po facility will also open up new streams of revenue through a variety of value-added services including the co-location of equipment, satellite signal uplinking, facilities for disaster recovery and playout capability for TV service providers.

BUSINESS DEVELOPMENT

Subsidiaries

SpeedCast

SpeedCast is a wholly-owned AsiaSat subsidiary and is a leader in the provision of reliable and efficient network services to organisations mainly in the maritime, mobile communications, banking and oil & gas industries. SpeedCast offers two-way services and broadband backbone access via 10 VSAT platforms in Asia and other regions around the world.

SpeedCast performed well during the period under review, generating turnover of HK$118 million (2010: HK$95 million). This represented an increase of 24% compared with the first half of last year. Net profit was HK$9 million (2010: HK$8 million).

Joint Venture

DISH-HD Asia Satellite

DISH-HD Asia Satellite, a joint venture between AsiaSat and EchoStar Corporation, continued to deliver DTH satellite services in HD and enhanced SD to viewers in Taiwan and other regional markets. Launched in June 2010, this joint venture company again incurred a loss of which AsiaSat's share was approximately HK$57 million (2010: HK$27 million). The joint venture has underperformed and new measures have been taken to improve its performance. We continue to monitor its progress closely while considering all options.

OUTLOOK

In general buoyant Asian economies and our strong performance as the market leader during the first half of 2011 have positioned us well for the opportunities we expect to see in the second half of 2011. These positive market trends, along with our strong financial fundamentals, position us to continue to grow the Company's business, and we remain alert to opportunities to improve our competitive position through partnerships and acquisitions.

Chairman's Statement

ACKNOWLEDGEMENTS

Peter JACKSON was the Chief Executive Officer of the Company during most of its existence. He deserves great credit for the successful development of the Company's business throughout this time. I would like to take this opportunity to thank Mr. JACKSON for his years of dedicated service to the Board and the Company.

Dr. Ya Hui CHIU, after over 20 years of service, retired from his position as Vice President, Technical Operations, on 31 July 2011. Former Vice President, Engineering Roger TONG took on an expanded role on 1 August 2011 to become Vice President, Engineering and Operations. On behalf of the Board, I would like to thank Dr. Chiu for his invaluable service and congratulate Roger TONG on his appointment as Vice President, Engineering and Operations. I am also pleased to welcome Philip BALAAM, who joined the Company as Vice President, Business Development in April 2011.

In first half of 2011, AsiaSat achieved excellent results and continued to maintain a market leadership position. I would like to acknowledge the dedication and commitment of the management team and staff and the guidance of the Board of Directors which together have made this possible. I would also like to express our sincere appreciation to our customers, suppliers and equity holders for their support.

Sherwood P. DODGE
Chairman

18 August 2011

Corporate Governance

STATEMENT

In the interest of its equity holders, the Company is committed to high standards of corporate governance and is devoted to identifying and formalising best practices. The Company is in compliance with the requirements of local and relevant overseas regulators in this regard.

CODE ON CORPORATE GOVERNANCE PRACTICES

All the independent non-executive directors ("INED"s) and non-executive directors ("NED"s) are appointed for a specific term of three years and are subject to retirement, rotation and re-election at the Company's annual general meeting.

The Group has adopted all the code provisions in the Code on Corporate Governance Practices in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") except for the following:

The code provision on the level and make-up of the remuneration committee requires a majority of the members to be comprised of INEDs. The Remuneration Committee of the Company is currently composed of three members, of whom one is an INED who also chairs the Committee, while the other two are NEDs.

Regarding the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules, the Group has adopted procedures governing directors' securities transactions in full compliance of the relevant code provisions.

AUDIT COMMITTEE

The Audit Committee consists of five members, three of whom are INEDs who satisfy independence, financial literacy and experience requirements, whilst the other two members are NEDs and have only observer status with no voting rights. The Committee is chaired by an INED, who possesses appropriate professional qualifications and experience in financial matters.

The Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated interim financial information for the six months ended 30 June 2011 in conjunction with management and external auditors of the Company. The Committee recommended to the Board that it should approve the unaudited condensed consolidated interim financial information for the six months ended 30 June 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries, including the Trust which was set up to administer the Company's Share Award Scheme, purchased, sold or redeemed any of the Company's listed securities.

GUIDELINES ON CONDUCT

The Company periodically issues notices to its Directors and employees reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of the interim and annual results.

DIRECTORS' INTERESTS

As at 30 June 2011, as recorded in the register required to be maintained under Section 352 of the Securities and Futures Ordinance ("SFO") (Cap. 571), the following Directors have the following interests in the share capital of the Company:

Directors	Long or short position	Number of shares/underlying shares held: Personal interests	Family interests	Corporate interests	Trusts and similar interests	Persons acting in concert	Other interests	Total	% of the Issued Share Capital of the Company
Peter JACKSON [1]	Long position	800,264	–	–	–	–	–	800,264	0.20
William WADE	Long position	332,546	–	–	–	–	–	332,546	0.09
James WATKINS	Long position	50,000	–	–	–	–	–	50,000	0.01

Note (1): Mr. JACKSON has retired on 31 July 2011 and ceased to be a director on 1 August 2011.

SUBSTANTIAL EQUITY HOLDERS

As at 30 June 2011, according to the register required to be kept under Section 336 of the SFO and information otherwise reported to the Company, the following persons held an interest of 5% or more in the shares in the Company:

Name	Capacity	Long or short position	No. of ordinary shares in the Company	% of the Issued Share Capital of the Company
Bowenvale Limited	Beneficial owner	Long position	291,174,695 [1]&[2]	74.43
Able Star Associates Limited	Interest in controlled corporation	Long position	291,174,695 [1]	74.43
CITIC Group	Interest in controlled corporation	Long position	291,174,695 [1]	74.43
GE Pacific-3 Holdings, Inc.	Interest in controlled corporation	Long position	291,174,695 [2]	74.43
General Electric Company	Interest in controlled corporation	Long position	291,174,695 [2]	74.43

SUBSTANTIAL EQUITY HOLDERS (CONTINUED)

Notes:

(1) Able Star Associates Limited ("Able Star") controls 50% of the voting rights of Bowenvale Limited ("Bowenvale"). Able Star is wholly-owned by CITIC Asia Satellite Holding Company Limited ("CITIC Asia") which in turn is wholly-owned by CITIC Projects Management (HK) Limited ("CITIC Projects"), a wholly-owned subsidiary of CITIC Group. Accordingly, Able Star, CITIC Asia, CITIC Projects and CITIC Group are deemed to be interested in the total of 291,174,695 shares in the Company held by Bowenvale.

(2) GE Pacific-3 Holdings, Inc. ("Pacific 3") controls 41.56% of the voting rights of Bowenvale and other affiliates of General Electric Company ("GE") own another 8.44%. They are all indirect, wholly-owned subsidiaries of GE. Accordingly, Pacific 3 and its GE affiliates are interested in 291,174,695 shares of the Company held by Bowenvale.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Except for the Company's Restricted Shares Scheme described in the annual report, at no time during the period was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CLOSURE OF REGISTER OF MEMBERS

The Register of equity holders of the Company will be closed from 3 to 7 October 2011 (both days inclusive). In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 30 September 2011. The interim dividend will be paid on or about 3 November 2011.

FINANCIAL REVIEW

Turnover

Turnover for the period was HK$802 million (2010: HK$690 million), an increase of HK$112 million over the same period last year. The main increase was due to strong growth in our core transponder leasing business, bolstered by significant contracts from new customers. In addition, our wholly-owned subsidiary, SpeedCast, also reported growth in revenue of around HK$23 million resulting from continued strong demand from its broadband and maritime customers.

Cost of Services

Cost of services was HK$249 million (2010: HK$247 million), a marginal increase of HK$2 million, or 1%. The slight increase primarily came from greater turnover for the period.

Other Gains

The gain of HK$28 million (2010: HK$18 million), increased by HK$10 million. Additional interest income from bank deposits earned during the period contributed to approximately HK$7 million of this increase.

Non-bank interest income of HK$16 million was received from the Indian tax authority in respect of a tax refund during the period. However, in the previous period, a HK$13 million one-off interest income was received from a customer, thus the net increase in interest income to the Company was only HK$3 million.

Administrative Expenses

Administrative expenses increased to HK$98 million (2010: HK$90 million). The increase was mainly due to an increase in staff costs of HK$10 million as a result of headcount growth, which was offset by a decrease in professional fees of HK$4 million. More marketing expenses due to the increased activities of the Company accounted for the remaining increase.

Income Tax Expense

A significant portion of the Group's profit is treated as earned outside Hong Kong and is not subject to Hong Kong Profits Tax. Hong Kong Profits Tax was calculated at 16.5% (2010: 16.5%) of the estimated assessable profit for the period. The Group's effective tax rate for the period was approximately 13% (2010: 11%).

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation, that range from 7% to 42.23% (2010: 7% to 20%), prevailing in the countries in which the profit is earned. The Group currently has a tax case with the Indian tax authority. Further details are set out in note 17 to the condensed consolidated interim financial information.

FINANCIAL REVIEW (CONTINUED)

Profit for the Period

Profit attributable to owners amounted to HK$367 million (2010: HK$305 million), an increase of HK$62 million. The increase in profit was due to steady growth in revenue, more interest income and continued careful cost management.

Financial Results Analysis

The financial results are highlighted below:

		Six months ended 30 June		
		2011	2010	Change
Sales	HK$M	**802**	690	+16%
Profit attributable to owners	HK$M	**367**	305	+20%
Dividend	HK$M	**31**	31	—
Capital and reserves	HK$M	**6,240**	5,680	+10%
Earnings per share	HK cents	**94**	78	+20%
Dividend per share	HK cents	**8**	8	—
Dividend cover	Times	**11.8**	9.8	+20%
Return on owners' funds	Percent	**6**	5	+1%
Net assets per share — book value	HK cents	**1,595**	1,452	+10%

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group generated a net cash inflow of HK$97 million (2010: HK$618 million) after paying capital expenditure of HK$267 million (2010: HK$202 million) and dividends of HK$176 million (2010: HK$125 million). As at 30 June 2011, the Group reported a cash and cash equivalents balance of HK$2,383 million (31 December 2010: HK$2,286 million). The Group continues to be debt free.

ORDER BOOK

As at 30 June 2011, the value of contracts on hand amounted to HK$3,405 million (31 December 2010: HK$3,469 million), of which approximately HK$675 million will be recognised in the second half of this year. Almost all the contracts are denominated in U.S. Dollars.

SIGNIFICANT INVESTMENTS, THEIR PERFORMANCE AND FUTURE PROSPECTS

SpeedCast

SpeedCast, a wholly-owned subsidiary of AsiaSat, provides broadband, multimedia and corporate broadcast services to customers across Asia and beyond.

For the first six months of 2011, the turnover of SpeedCast was HK$118 million (2010: HK$95 million), an increase of 24%. The company also recorded a net profit of HK$9 million (2010: HK$8 million).

DISH-HD Asia Satellite

DISH-HD Asia Satellite, a joint venture between AsiaSat and EchoStar Corporation, was formed in June 2009 to deliver DTH satellite television services in Taiwan and other targeted regional markets. The company officially launched its services in Taiwan in June 2010 and is currently providing its customers with a choice of 44 HD or enhanced SD channels and 16 SD channels for a total channel offering of 60.

The Company's share of loss was HK$57 million (2010: HK$27 million) which included an impairment charge against the joint venture's assets amounting to HK$23 million (2010: Nil) in consideration of the target markets' challenging environment.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the period, there were neither material acquisitions nor disposals of subsidiaries or associated companies.

SEGMENT INFORMATION

The turnover of the Group, analysed by business segment, is disclosed in note 6 to the condensed consolidated interim financial information.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2011, the Group had 193 (31 December 2010: 176) permanent employees.

The Group considers its human resources as one of its most valuable assets. The talent pool that the Group draws from overlaps with the telecommunications, information technology and some high-tech equipment vendor industries.

The Group has established a performance-based appraisal system. The present remuneration package consists of salaries, housing benefits (applicable to certain grades of employees), discretionary bonuses, share award scheme and fringe benefits that are comparable with the market.

The Group does not operate an in-house regular training programme. However, the Group does provide ad hoc training on new developments or facilities and sponsors employees to attend external vocational training that is relevant to the discharge of their duties and their career progression.

CHARGES ON GROUP ASSETS

The Group did not have any charge on assets as at 30 June 2011 and 31 December 2010.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group are set out in note 18 to the condensed consolidated interim financial information.

As at 30 June 2011, the Group had total capital commitments of HK$1,347 million (31 December 2010: HK$1,543 million), of which HK$571 million (31 December 2010: HK$757 million) was contracted but not provided for in the interim financial information, and the remaining HK$776 million (31 December 2010: HK$786 million) was authorised by the Board but not yet contracted.

GEARING RATIO

As at 30 June 2011, the Company remained debt free. Therefore, a gearing ratio was not applicable.

EXCHANGE RATES AND ANY RELATED HEDGES

During the period, almost all of the Group's revenues, premiums for satellite insurance coverage and substantially all capital expenditure were denominated in U.S. Dollars. The Group's remaining expenses were primarily denominated in Hong Kong Dollars. As at 30 June 2011, the Group's existing transponder utilisation agreements with customers, and the capital commitments in respect of equipment purchases were substantially denominated in U.S. Dollars. Thus, the Group does not have any significant currency exposure and believes it does not need to hedge against currency fluctuations.

CONTINGENT LIABILITIES

Particulars of the Group's contingent liabilities are set out in note 17 to the condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

	Note	As at 30 June 2011 Unaudited HK$'000	As at 31 December 2010 Audited HK$'000
ASSETS			
Non-current assets			
Leasehold land and land use rights	8	**20,992**	21,283
Property, plant and equipment	7	**4,122,200**	4,030,123
Intangible assets	7	**38,675**	38,675
Unbilled receivables		**107,865**	119,944
Interest in a jointly controlled entity		**75,405**	114,327
Amount paid to tax authority		**121,874**	221,202
Total non-current assets		**4,487,011**	4,545,554
Current assets			
Inventories		**4,133**	4,432
Trade and other receivables	9	**299,339**	229,160
Cash and cash equivalents		**2,382,936**	2,286,164
Total current assets		**2,686,408**	2,519,756
Total assets		**7,173,419**	7,065,310

The notes on pages 22 to 42 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

	Note	As at 30 June 2011 Unaudited HK$'000	As at 31 December 2010 Audited HK$'000
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares	10	39,120	39,120
Reserves			
Retained earnings		6,180,332	5,988,504
Other reserves	11	20,791	15,632
		6,240,243	6,043,256
Non-controlling interests		1,200	1,257
Total equity		6,241,443	6,044,513
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		253,228	255,718
Deferred revenue		98,920	107,828
Other amounts received in advance		72,121	159,052
Other payables		1,950	2,106
Total non-current liabilities		426,219	524,704
Current liabilities			
Construction payables		4,055	5,930
Other payables and accrued expenses		83,488	95,899
Deferred revenue		263,239	281,766
Obligations under finance leases		2	7
Current income tax liabilities		154,852	112,370
Dividend payable		121	121
Total current liabilities		505,757	496,093
Total liabilities		931,976	1,020,797
Total equity and liabilities		7,173,419	7,065,310
Net current assets		2,180,651	2,023,663
Total assets less current liabilities		6,667,662	6,569,217

The notes on pages 22 to 42 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

	Note	Unaudited Six months ended 30 June 2011 HK$'000	 2010 HK$'000
Sales	6	801,857	689,776
Cost of services		(249,102)	(247,245)
Gross profit		552,755	442,531
Other gains, net		27,756	17,637
Administrative expenses		(98,035)	(90,289)
Operating profit	12	482,476	369,879
Finance costs		(4,891)	(51)
Share of losses of a jointly controlled entity	13	(57,475)	(27,198)
Profit before income tax		420,110	342,630
Income tax expense	14	(52,787)	(37,484)
Profit and total comprehensive income for the period		367,323	305,146
Profit and total comprehensive income attributable to:			
— Owners of the Company		367,380	305,216
— Non-controlling interests		(57)	(70)
		367,323	305,146
		HK$ per share	HK$ per share
Earnings per share attributable to owners of the Company			
— Basic earnings per share	15	0.94	0.78
— Diluted earnings per share	15	0.94	0.78
		HK$'000	HK$'000
Interim dividend	16	31,296	31,296

The notes on pages 22 to 42 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

		Unaudited							
		Attributable to owners of the Company							
	Note	Share capital HK$'000	Share premium HK$'000	Shares held under Share Award Scheme HK$'000	Share-based payment reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Balance at 1 January 2011		39,120	17,866	(12,891)	10,657	5,988,504	6,043,256	1,257	6,044,513
Total comprehensive income for the period		–	–	–	–	367,380	367,380	(57)	367,323
Transactions with owners in their capacity as owners:									
Employees share award scheme:									
– Share-based payment		–	–	–	5,159	–	5,159	–	5,159
Final dividend relating to 2010 paid in May 2011	16	–	–	–	–	(176,038)	(176,038)	–	(176,038)
Dividend for shares held by Share Award Trust	16	–	–	–	–	486	486	–	486
Total transactions with owners		–	–	–	5,159	(175,552)	(170,393)	–	(170,393)
Balance at 30 June 2011		**39,120**	**17,866**	**(12,891)**	**15,816**	**6,180,332**	**6,240,243**	**1,200**	**6,241,443**
Balance at 1 January 2010		39,120	17,866	(15,886)	5,573	5,449,879	5,496,552	1,378	5,497,930
Total comprehensive income for the period		–	–	–	–	305,216	305,216	(70)	305,146
Transactions with owners in their capacity as owners:									
Employees share award scheme:									
– Share-based payment		–	–	–	2,921	–	2,921	–	2,921
Final dividend relating to 2009 paid in May 2010	16	–	–	–	–	(125,183)	(125,183)	–	(125,183)
Dividend for shares held by Share Award Trust	16	–	–	–	–	426	426	–	426
Total transactions with owners		–	–	–	2,921	(124,757)	(121,836)	–	(121,836)
Balance at 30 June 2010		39,120	17,866	(15,886)	8,494	5,630,338	5,679,932	1,308	5,681,240

The notes on pages 22 to 42 form an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

	Unaudited Six months ended 30 June 2011 HK$'000	2010 HK$'000
Cash flows from operating activities:		
— cash flow from operations	**524,629**	934,255
— taxes paid	**(12,795)**	(7,816)
Cash flows from operating activities — net	**511,834**	926,439
Cash flows used in investing activities:		
— purchases of property, plant and equipment	**(266,806)**	(202,280)
— proceeds on disposals of property, plant and equipment	**—**	619
— interest received	**27,306**	18,146
Cash flows used in investing activities — net	**(239,500)**	(183,515)
Cash flows used in financing activities:		
— dividends paid	**(175,552)**	(124,757)
— repayment of obligations under finance leases	**(5)**	(5)
— interest paid	**(5)**	(5)
Cash flows used in financing activities — net	**(175,562)**	(124,767)
Net increase in cash and cash equivalents	**96,772**	618,157
Cash and cash equivalents at beginning of the period	**2,286,164**	1,483,712
Cash and cash equivalents at end of the period, representing bank balances and cash	**2,382,936**	2,101,869

The notes on pages 22 to 42 form an integral part of these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION

Asia Satellite Telecommunications Holdings Limited (the "Company") and its subsidiaries (together the "Group") is engaged in the provision of transponder capacity and the broadband access services.

The Company is a limited liability company incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda (as amended). The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in thousands of Hong Kong Dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 18 August 2011.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3. ACCOUNTING POLICIES (CONTINUED)

The following new and revised standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2011 are as follows:

HKAS 24 (Revised) "Related Party Disclosures" is effective for annual periods beginning on or after 1 January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. It also clarifies the definition of a related party.

Amendment to HKAS 34 "Interim financial reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

The other new and revised standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2011:

HKFRSs (Amendment)	Improvements to HKFRSs (2010)
HKAS 32 (Amendment)	Classification of Rights Issues
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HK(IFRIC) Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new and revised standards, amendments and interpretations did not result in any substantial changes to the accounting policies and financial statements of the Group.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2011 and have not been early adopted:

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets[1]
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurements[2]

1 Effective for the Group for annual periods beginning on or after 1 January 2012

2 Effective for the Group for annual periods beginning on or after 1 January 2013

3. ACCOUNTING POLICIES (CONTINUED)

The Group is in the process of assessing the impact of these standards or interpretations and does not expect there will be material impact on the consolidated financial statements of the Group.

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, cash flow interest rate risk, fair value interest rate risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

There have been no changes in any risk management policies since year end.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

In 2011, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

In 2011, there were no reclassifications of financial assets.

6. SALES AND SEGMENT INFORMATION

(a) Sales:

The Group's sales are analysed as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Income from provision of satellite transponder capacity		
— recurring	**666,046**	580,570
— non-recurring	**—**	227
Sales of satellite transponder capacity	**8,909**	8,909
Income from provision of broadband access services and sale of equipment	**118,317**	94,941
Other revenue	**8,585**	5,129
	801,857	689,776

(b) Segment information:

The chief operating decision-maker has been identified as the President and Chief Executive Officer of the Group. The President and Chief Executive Officer reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports reviewed by the President and Chief Executive Officer, who considers the business from a product perspective. In other words, management assesses the performance based on a measure of profit after taxation of the following businesses:

- operation, maintenance and provision of satellite telecommunication systems for broadcasting and telecommunication;
- provision of broadband access services; and
- provision of Direct-to-Home satellite television service through the jointly controlled entity.

Sales between segments are carried out at arm's length in a manner similar to transactions with third parties. The revenue from external parties reported to the President and Chief Executive Officer is measured in a manner consistent with the condensed consolidated statement of comprehensive income.

6. SALES AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued):

The amounts provided to the President and Chief Executive Officer with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

An analysis of the Group's reportable segments is as follows:

	Six months ended 30 June 2011				
	Provision of satellite telecommunication systems for broadcasting and telecommunication HK$'000	Broadband access services HK$'000	Direct-to-Home satellite television service HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Sales to external customers	567,220	118,317	–	–	685,537
Sales to related parties (note 19)	107,735	–	–	–	107,735
Inter-segment sales	49,624	404	–	(50,028)	–
Other revenue	9,987	–	–	(1,402)	8,585
Total	734,566	118,721	–	(51,430)	801,857
Operating profit	473,578	8,898	–	–	482,476
Finance costs	(4,886)	(5)	–	–	(4,891)
Share of losses of a jointly controlled entity	–	–	(57,475)	–	(57,475)
Profit/(loss) before income tax	468,692	8,893	(57,475)	–	420,110
Income tax expense	(52,787)	–	–	–	(52,787)
Profit/(loss) for the period	415,905	8,893	(57,475)	–	367,323
Depreciation	166,755	5,655	–	–	172,410
Interest income	27,759	–	–	–	27,759
Capital expenditure	256,259	8,260	–	–	264,519
At 30 June 2011:					
Interest in a jointly controlled entity	–	–	75,405	–	75,405
Total assets	7,008,274	107,668	75,405	(17,928)	7,173,419
Total liabilities	903,264	46,640	–	(17,928)	931,976

6. SALES AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued):

	Six months ended 30 June 2010				
	Provision of satellite telecommunication systems for broadcasting and telecommunication HK$'000	Broadband access services HK$'000	Direct-to-Home satellite television service HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Sales to external customers	521,848	94,941	—	—	616,789
Sales to related parties (note 19)	67,858	—	—	—	67,858
Inter-segment sales	34,963	404	—	(35,367)	—
Other revenue	6,322	—	—	(1,193)	5,129
Total	630,991	95,345	—	(36,560)	689,776
Operating profit	361,528	8,351	—	—	369,879
Finance costs	(46)	(5)	—	—	(51)
Share of losses of a jointly controlled entity	—	—	(27,198)	—	(27,198)
Profit/(loss) before income tax	361,482	8,346	(27,198)	—	342,630
Income tax expense	(37,484)	—	—	—	(37,484)
Profit/(loss) for the period	323,998	8,346	(27,198)	—	305,146
Depreciation	166,439	4,776	—	—	171,215
Interest income	16,848	—	—	—	16,848
Capital expenditure	147,046	7,812	—	—	154,858
At 30 June 2010:					
Interest in a jointly controlled entity	—	—	120,460	—	120,460
Total assets	6,544,816	75,748	120,460	(12,013)	6,729,011
Total liabilities	1,021,602	38,182	—	(12,013)	1,047,771
At 31 December 2010:					
Interest in a jointly controlled entity	—	—	114,327	—	114,327
Total assets	6,864,224	99,716	114,327	(12,957)	7,065,310
Total liabilities	986,172	47,582	—	(12,957)	1,020,797

6. SALES AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued):

The Group is domiciled in Hong Kong. The sales to customers in Hong Kong and Greater China for the six months ended 30 June 2011 are HK$118,968,000 and HK$106,632,000 respectively. For the six months ended 30 June 2010, sales to customers were HK$133,592,000 and HK$80,848,000 in Hong Kong and Greater China respectively. The total sales to customers in other countries are HK$576,257,000 (for the six months ended 30 June 2010: HK$475,336,000).

For the purpose of classification, the country where the customer (both external customer and related party) is incorporated is deemed to be the source of sales. However, the Group's operating assets consist primarily of its satellites which are used, or are intended for use, for transmission to multiple geographical areas and therefore cannot be allocated between geographical segments. Accordingly, no geographical analysis of expenses, assets and liabilities has been presented.

For the six months ended 30 June 2011, sales of approximately HK$96,875,000 (for the six months ended 30 June 2010: HK$94,982,000) are derived from a single external customer. These revenues are attributable to the provision of satellite telecommunication systems for broadcasting and telecommunication.

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Intangible assets – Goodwill HK$'000	Property, plant and equipment HK$'000
Six months ended 30 June 2010		
Opening net book amount at 1 January 2010	38,675	3,823,914
Additions	—	154,858
Disposals	—	(285)
Depreciation (note 12)	—	(171,215)
Closing net book amount at 30 June 2010	38,675	3,807,272
Six months ended 30 June 2011		
Opening net book amount at 1 January 2011	38,675	4,030,123
Additions	—	264,519
Disposals	—	(32)
Depreciation (note 12)	—	(172,410)
Closing net book amount at 30 June 2011	38,675	4,122,200

8. LEASEHOLD LAND AND LAND USE RIGHTS

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Opening net book amount at 1 January	**21,283**	21,866
Amortisation of prepaid operating lease payments (note 12)	**(291)**	(291)
Closing net book amount at 30 June	**20,992**	21,575

9. TRADE AND OTHER RECEIVABLES

	30 June 2011	31 December 2010
	HK$'000	HK$'000
Trade receivables	**136,807**	108,174
Trade receivables from related parties (note 19)	**83,950**	58,717
Less: provision for impairment of trade receivables	**(34,462)**	(25,908)
Trade receivables — net	**186,295**	140,983
Other receivables	**63,258**	60,475
Other receivables from related parties (note 19)	**3,101**	2,384
Deposits and prepayments	**46,685**	25,561
Less: provision for impairment of other receivables	**—**	(243)
	299,339	229,160

The Group usually bills its trade customers quarterly in advance in accordance with its agreements. The ageing analysis of net trade receivables is stated as follows:

	30 June 2011	31 December 2010
	HK$'000	HK$'000
0 to 30 days	**84,430**	58,738
31 to 60 days	**28,686**	21,341
61 to 90 days	**24,324**	20,951
91 to 180 days	**28,294**	29,691
181 days or above	**20,561**	10,262
	186,295	140,983

10. SHARE CAPITAL

	Number of shares (thousands)	Ordinary shares HK$'000
Issued and fully paid		
At 1 January 2010 and 30 June 2010	391,196	39,120
At 1 January 2011 and 30 June 2011	391,196	39,120

The total authorised number of ordinary shares is 550,000,000 shares (2010: 550,000,000 shares) with a par value of HK$0.10 per share (2010: HK$0.10 per share).

Share Award Scheme

The Share Award Scheme was approved to be established by the Board on 22 August 2007. Details of the Scheme were set out in note 15 to the 2010 annual financial statements.

Movement in the number of Award Shares is as follows:

	2011 Number of Award Shares	2010 Number of Award Shares
At 1 January and 30 June	**2,651,879**	2,012,498

Movement in the number of shares held under Share Award Scheme is as follows:

	2011		2010	
	Value HK$'000	**Number of shares held**	Value HK$'000	Number of shares held
At 1 January and 30 June	**12,891**	**1,080,144**	15,886	1,331,190

There was no share awarded, purchased or vested during the period (2010: same). The remaining vesting periods of the Award Shares outstanding as at 30 June 2011 are between 1 month to 4 years.

11. OTHER RESERVES

	Share premium HK$'000	Share-based payment reserve HK$'000	Shares held under Share Award Scheme HK$'000	Total HK$'000
At 1 January 2010	17,866	5,573	(15,886)	7,553
Share-based payment	—	2,921	—	2,921
At 30 June 2010	17,866	8,494	(15,886)	10,474
At 1 January 2011	17,866	10,657	(12,891)	15,632
Share-based payment	—	5,159	—	5,159
At 30 June 2011	17,866	15,816	(12,891)	20,791

12. OPERATING PROFIT

The following items have been credited/charged to the operating profit during the interim period:

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Interest income	**27,759**	16,848
Net (loss)/gain on disposals of property, plant and equipment other than transponders	**(3)**	334
Others	**—**	455
Other gains, net	**27,756**	17,637
Salary and other benefits, including directors' remuneration	**77,780**	61,933
Pension costs — defined contribution plans	**3,706**	3,080
Total staff costs	**81,486**	65,013
Auditors' remuneration	**794**	675
Provision for impairment		
— Trade receivables	**8,756**	10,901
— Other receivables (note 9)	**—**	243
Depreciation (note 7)		
— Property, plant and equipment	**172,410**	171,215
Operating leases		
— Premises	**5,163**	4,876
— Leasehold land and land use rights (note 8)	**291**	291
Net exchange (gain)/loss	**(499)**	289

13. SHARE OF LOSSES OF A JOINTLY CONTROLLED ENTITY

For the period ended 30 June 2011, the share of losses of the jointly controlled entity recorded by the Group included a provision for impairment of the jointly controlled entity's assets of HK$23,400,000 (2010: nil impairment provision). Given the financial performance and the challenging operating environment of the jointly controlled entity, there were indications that the carrying values of the jointly controlled entity's assets may not be recoverable. Accordingly, management conducted an impairment review as at 30 June 2011 and concluded that a provision for impairment was required to write down the carrying values of the property, plant and equipment of the jointly controlled entity to their recoverable amounts.

14. INCOME TAX EXPENSE

A significant portion of the Group's profit is treated as earned outside Hong Kong and is not subject to Hong Kong profits tax. Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation, that range from 7% to 42.23% (2010: 7% to 20%), prevailing in the countries in which the profit is earned.

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Current income tax		
— Hong Kong profits tax	**42,227**	12,784
— Overseas taxation	**13,050**	5,902
Deferred income tax	**(2,490)**	18,798
	52,787	37,484

The Group currently has a tax case in dispute with the Indian tax authority. Details of this are set out in note 17.

15. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Profit attributable to owners of the Company	**367,380**	305,216
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**390,115**	389,864
Basic earnings per share (HK$ per share)	**0.94**	0.78

The weighted average number of ordinary shares shown above was determined after deducting the shares held under the Share Award Scheme.

15. EARNINGS PER SHARE (CONTINUED)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has restricted shares under the Share Award Scheme which would have a dilutive effect. The calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of outstanding restricted shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the restricted shares being fully vested.

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Profit attributable to owners of the Company	**367,380**	305,216
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**390,115**	389,864
Effect of unvested awarded shares (in thousands)	**1,457**	1,163
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	**391,572**	391,027
Diluted earnings per share (HK$ per share)	**0.94**	0.78

16. DIVIDENDS

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Dividends paid		
Final dividend paid for the year ended 31 December 2010 of HK$0.45 per share (final dividend paid for the year ended 31 December 2009 of HK$0.32 per share)	**176,038**	125,183
Less: Dividend for shares held by Share Award Trust	**(486)**	(426)
	175,552	124,757
Dividends declared		
Interim dividend for the six months ended 30 June 2011 of HK$0.08 per share (interim dividend for the six months ended 30 June 2010 of HK$0.08 per share)	**31,296**	31,296

An interim dividend of HK$0.08 per share (2010: HK$0.08 per share) was approved by the Board of Directors on 18 August 2011. It is payable on or about 3 November 2011 to shareholders who are on the register on 7 October 2011. This interim dividend, amounting to HK$31,296,000 (2010: HK$31,296,000), has not been recognised as a liability in this condensed consolidated interim financial information. It will be recognised in owners' equity as an appropriation of retained earnings in the year ending 31 December 2011.

17. CONTINGENT LIABILITIES

(a) The Group has been assessed for tax by the Indian tax authority ("IR") on revenues received in respect of income from provision of satellite transponder capacity to the Group's customers for purposes of those customers carrying on business in India or earning income from any source in India.

As at 30 June 2011 and 31 December 2010, the total amount of tax assessed by the IR amounted to INR1,567 million or approximately HK$274 million for the assessment years from 1997–98 to 2007–08. The High Court in New Delhi pronounced orders dated 31 January 2011 and 10 March 2011 in favour of the Group for the assessment years from 1997–98 to 2005–06 that revenues earned by the Company are not chargeable to tax in India under the provisions of the Indian Income Tax Act. In addition to tax, the Group has also been charged interest by the IR, primarily due to non-payment of advance tax. The Group is of the view that it is not liable to such interest and this view is supported by the order issued by the High Court on 14 January 2011 which held that interest for non-payment of advance tax for the assessment years from 1998–99 to 2005–06 cannot be levied on the Group.

For the payments of tax and interest totalling INR1,260 million or approximately HK$221 million previously made by the Group to the IR for the nine assessment years from 1997–98 to 2005–06, the Group has successfully claimed and received the refund of these payments along with interest on the refund in June 2011 following the High Court orders mentioned above. However, the IR has withheld a total amount of INR715 million or HK$122 million to cover the tax assessed for the assessment years 2006–07 and 2007–08 which are not covered by the said High Court orders. On the other hand, the Group has also obtained a favorable ruling from the Tax Tribunal with respect to the tax levied on the Group for the assessment years 2006–07 and 2007–08 in May 2011. In this regard, the Group has filed an application with the IR for the refund of INR715 million and has recorded this amount as an asset under "Amount paid to tax authority" on the assumption that it is recoverable as at 30 June 2011.

Management anticipates that the IR may continue assessing the Group for Indian tax for assessment years post 2007–08 until the issues are settled finally by the Supreme Court of India. In addition, management expects that the IR may file an appeal before the Supreme Court with respect to the orders of the High Court referred to above. The final decision of the potential appeal before the Supreme Court may not be known until 2013.

Based on the orders pronounced by the High Court, the Group is of the view that it has strong grounds to continue to successfully argue before the Indian Courts that it is not liable to tax in India. Accordingly, no provision has been recognised for Indian tax in the Group's financial statements as in prior years.

(b) A claim has been made by a customer for the recovery of fees paid in the amount of HK$156 million plus damages. The Group is defending this claim and has been advised by its legal advisers that the claim is without merit.

18. COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	30 June 2011	31 December 2010
	HK$'000	HK$'000
AsiaSat 7		
Contracted but not provided for	**517,184**	748,205
Authorised but not contracted	**12,854**	22,932
Launch Services for new satellite		
Authorised but not contracted	**763,230**	763,230
Other assets		
Contracted but not provided for	**53,275**	8,958
	1,346,543	1,543,325

Operating lease commitments — as lessee

The Group leases certain of its office and residential premises under non-cancellable operating lease agreements. The lease terms are between 2 to 4 years, and the majority of lease arrangements are renewable at the end of the lease period at the market rate. The lease expenditure charged to the condensed consolidated statement of comprehensive income during the period is disclosed in note 12.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2011	31 December 2010
	HK$'000	HK$'000
Not later than 1 year	**8,375**	5,644
Later than 1 year and not later than 5 years	**14,653**	1,089
	23,028	6,733

18. COMMITMENTS (CONTINUED)

Operating lease commitments — as lessor

The Group leases certain of its premises to certain customers under non-cancellable operating leases. The lease terms are between 3 to 4 years. The lease income recognised in the condensed consolidated statement of comprehensive income during the period was HK$4,412,000 (2010: HK$1,487,000).

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	30 June 2011	31 December 2010
	HK$'000	HK$'000
No later than 1 year	**17,967**	1,973
Later than 1 year and not later than 5 years	**36,970**	2,673
	54,937	4,646

19. RELATED-PARTY TRANSACTIONS

At 30 June 2011, the Company was directly controlled by Bowenvale Limited (incorporated in the British Virgin Islands) with total shareholdings of 74.43%, and was indirectly owned by CITIC Group ("CITIC") (incorporated in China) and General Electric Company ("GE") (incorporated in the United States), which have equal voting rights in the Company. The remaining 25.57% of the Company's shares were held by the public.

The following transactions were carried out with related parties:

(a) Income from provision of satellite transponder capacity

The Group has entered into a transponder master agreement with CITIC Networks Company Limited ("CITIC Networks", a wholly-owned subsidiary of CITIC) and CITIC Networks Company Limited, Beijing Satellite Telecommunications Branch ("CITICSat", the branch established by CITIC Networks), under which CITIC Networks through CITICSat granted the exclusive right to the Group to provide satellite transponder capacity for use by their customers.

The Group has also entered into agreements for the provision of satellite transponder capacity to Power Star Limited, a subsidiary of the DISH-HD Asia Satellite Limited, the jointly controlled entity.

19. RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Income from provision of satellite transponder capacity (continued)

During the period, the Group recognised income from the related parties as follows:

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
CITICSat	**84,335**	52,258
Power Star Limited	**23,400**	15,600
Total (note 6b)	**107,735**	67,858

(b) Income from broadcast support services

The Group has entered into an agreement for the provision of broadcast support services to Power Star Limited for the Direct-to-Home business.

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Power Star Limited	**4,042**	2,288

(c) Marketing expenses

Pursuant to the transponder master agreement mentioned in (a) above, CITICSat conducts marketing activities in China on behalf of the Group. In return, the Group reimburses the expenditure that CITICSat incurs plus a marketing fee, which is collectively known as the marketing expenses payable to CITICSat.

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
CITICSat	**3,993**	5,386

19. RELATED-PARTY TRANSACTIONS (CONTINUED)

(d) Key management compensation

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Salaries and other short-term employee benefits	**26,848**	25,384
Share-based payment	**3,632**	1,928
	30,480	27,312

The Group made payments to a subsidiary of CITIC and a subsidiary of GE for certain Non-executive Directors representing them.

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
A subsidiary of CITIC	**250**	250
A subsidiary of GE	**275**	275
	525	525

19. RELATED-PARTY TRANSACTIONS (CONTINUED)

(e) Period/Year-end balances arising from these transactions

	30 June 2011	31 December 2010
	HK$'000	HK$'000
Trade receivables from related parties (note 9):		
CITIC Guoan Information Industry Company Limited	**–**	734
CITICSat (Note)	**83,950**	57,983
	83,950	58,717
Other receivables from related parties (note 9):		
Power Star Limited	**3,101**	2,384
Loan to a jointly controlled entity:		
Power Star Limited	**50,202**	31,649
Payables to related parties:		
CITICSat	**3,000**	2,870
Deferred revenue in relation to related parties:		
CITICSat	**52,710**	51,287

The receivables from and payables to related parties have no fixed terms of payment. The receivables and payables are unsecured in nature and bear no interest.

The above transactions were entered into on commercial terms determined and agreed by the Group and the relevant parties.

Note:

Pursuant to the transponder master agreement as mentioned in note (a) above in respect of the Group's provision of satellite transponder capacity for use by CITICSat's customers, the Group will bear any credit risk in connection with services provided to these customers. Accordingly, the Group will assess whether there is any objective evidence that the amounts ultimately due from these customers may be impaired at the end of each reporting period. At 30 June 2011, a provision for impairment of HK$83,000 (31 December 2010: HK$31,000) was recorded and included within the provision disclosed in note 9.

20. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in other notes to the condensed consolidated interim financial information, there have been no other material events occurring after the reporting date.

Report on Review of Interim Financial Information

pwc

羅兵咸永道

TO THE BOARD OF DIRECTORS OF

ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 17 to 42, which comprises the condensed consolidated statement of financial position of Asia Satellite Telecommunications Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2011 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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pwc 羅兵咸永道

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 August 2011

Shareholder Information

2011 FINANCIAL CALENDAR

Interim results announcement	18 August 2011
Last day to register for 2011 interim dividend	30 September 2011
Book closure period	3 October — 7 October 2011
Interim dividend payment	3 November 2011
Financial year end	31 December

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Hamilton HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

Any matter relating to your shareholding, such as transfer of shares, change of name or address, and loss of share certificates should be addressed in writing to the Registrar as above.

LISTING

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

ORDINARY SHARES

Shares outstanding as at 30 June 2011: 391,195,500 ordinary shares
Free float: 100,020,805 ordinary shares (25.57%)
Nominal value: HK$0.10 per share

STOCK CODE

The Stock Exchange of Hong Kong Limited	1135
Reuters	1135.HK

Shareholder Information

INTERIM REPORT 2011

Copies of interim reports can be obtained by writing to:

Manager, Corporate Affairs
Asia Satellite Telecommunications Holdings Limited
19th Floor, Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

WEBSITE

http://www.asiasat.com
Annual/Interim reports and financial statements are available on line.

COMPANY CONTACT

General enquiry regarding the Company during normal office hours should be addressed to:

Manager, Corporate Affairs
Asia Satellite Telecommunications Holdings Limited
19th Floor, Sunning Plaza
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Hong Kong
Telephone : (852) 2500 0880
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Email : wpang@asiasat.com

INVESTOR RELATIONS CONTACT

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