ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED

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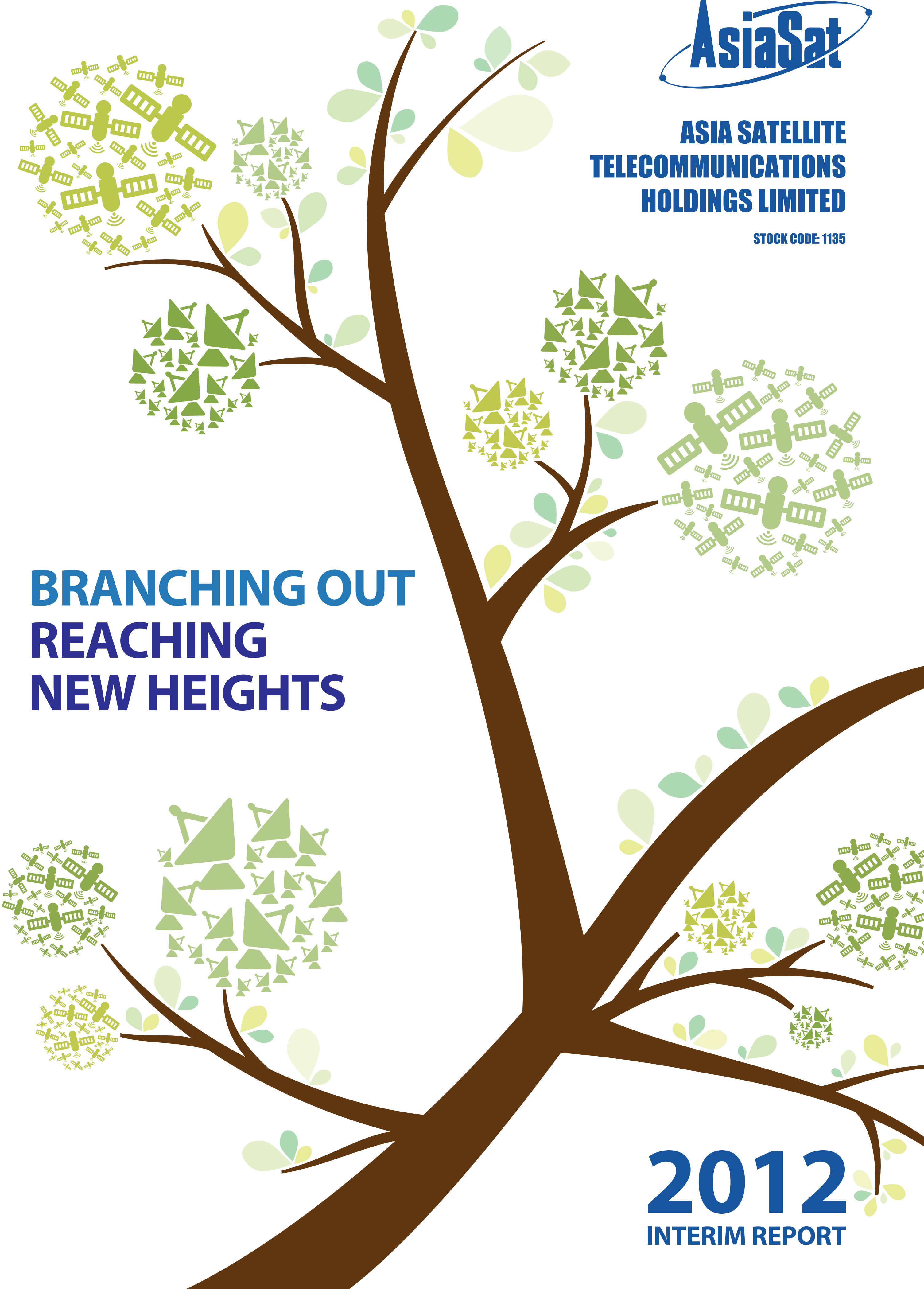

BRANCHING OUT REACHING NEW HEIGHTS

2012
INTERIM REPORT

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 four 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.

Contents

Corporate Information

Chairman and Non-executive Director
JU Wei Min
(appointed as Chairman on 1 February 2012)

Deputy Chairman and Non-executive Director
Sherwood P. DODGE
(re-designated from Chairman to Deputy Chairman on 1 February 2012)

Executive Director
William WADE
(President and Chief Executive Officer)

Non-executive Directors
MI Zeng Xin
LUO Ning
Peter JACKSON *(appointed on 9 January 2012)*
GUAN Yi *(resigned on 9 January 2012)*
John F. CONNELLY
Nancy KU
Mark CHEN

Alternate Director
Jack CHONG
(appointed as alternate director to MI Zeng Xin on 9 January 2012)

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)*
Edward CHEN	*(appointed on 23 August 2012)*
Robert SZE	*(appointed on 23 August 2012)*
JU Wei Min	
Nancy KU	

Company Secretary
Sue YEUNG

Authorised Representatives
William WADE
Sue YEUNG

Auditors
PricewaterhouseCoopers

Principal Bankers
The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

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

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

STEADY PERFORMANCE DESPITE GLOBAL ECONOMIC UNCERTAINTY

Strong first half result

Asia Satellite Telecommunications Company Limited ("AsiaSat") has been providing premium satellite services since 1990 to more than two-thirds of the world's population stretching across the Asia region from Australasia to the Middle East and Russia.

With our reputation as a pioneer in satellite communications, AsiaSat continues to be a trusted partner of leading broadcasting and telecommunications enterprises and governments around the world.

During the review period, AsiaSat achieved new business which helped compensate for the loss of the revenue contribution from the now retired satellite (AsiaSat 2) during the same period in 2011.

INTERIM RESULTS

Turnover

Turnover for the first half of 2012 was HK$1,095 million (2011: HK$802 million), representing an increase of 37% over the same period last year. This increase was primarily the result of a one-off revenue contribution from customers of HK$296 million (2011: Nil) resulting from the enactment of the Finance Act in India in 2012, which imposes tax on the Group for certain Indian sourced revenues. By excluding this one-off item, the turnover was similar to that of the same period in 2011. Our subsidiary, SpeedCast Holdings Limited ("SpeedCast"), reported first-half revenue of HK$124 million (2011: HK$118 million), an increase of 5% compared with the corresponding period in 2011 due to steady growth from customers in the broadband and maritime sectors.

Operating expenses

Operating expenses in the first half of 2012, excluding depreciation, totalled HK$182 million (2011: HK$175 million), representing an increase of 4% compared with the first half of 2011. This was mainly the result of the increase in professional fees associated with the privatisation exercise.

Profit

Profit attributable to equity holders for the first half of 2012 was HK$395 million (2011: HK$367 million), an increase of 8% over the same period last year. In the first half of 2011, the Group shared a loss of HK$57 million by DISH-HD Asia Satellite Limited ("DISH-HD Asia Satellite"), the jointly controlled entity, which was disposed of in December 2011 and the transaction was completed in June 2012. The Group had no such expense in the current period under review. However, profit was affected by tax provisions made for Indian tax reflecting the impact of the adoption of the new Finance Act in India, which was enacted with retrospect effect in May 2012. There was consequently an adverse effect on our profit, as the Company had to record a provision against potential Indian income tax for Indian sourced revenues for services rendered in the past.

INTERIM RESULTS (CONTINUED)

Cash flow

For the six months to 30 June 2012, the Group generated a net cash inflow of HK$74 million (2011: HK$97 million) after capital expenditure of HK$664 million (2011: HK$267 million) and no payment of dividends (2011: HK$176 million). As of 30 June 2012, the Group reported a cash and cash equivalents balance of HK$2,340 million (31 December 2011: HK$2,266 million). The Group continues to be free of debt.

Dividend

The Board has decided to declare an interim dividend of HK$0.12 per share (2011: HK$0.08 per share), which will become payable on or about 2 November 2012 to equity holders on the share register as at 9 October 2012. The share register will be closed from 3 to 9 October 2012 (both days inclusive).

CORPORATE DEVELOPMENT

Board and senior management

During the period under review, there was no change in the composition of the Board of Directors or the senior management of the Company.

Failure of the privatisation proposal

On 18 July 2012 the proposal by Asia Satellite Management Stock Ownership Trust ("MSOT") and AsiaSat MSOT (PTC) Limited (acting in its capacity as trustee of MSOT) and Asia Satellite Telecommunications Holdings Limited was not approved by those independent shareholders. Although we believe that privatisation would have been advantageous to the Company, the failure of the proposal will not carry any negative repercussions on our business. It also reflects the continuing confidence of shareholders in the Company's future growth prospects.

SATELLITES

Our fleet

AsiaSat currently owns four in-orbit satellites — AsiaSat 3S, AsiaSat 4, AsiaSat 5 and AsiaSat 7 — that provide access to information and communication channels for billions of people across the Asia-Pacific region. AsiaSat 2 was retired from service after the reporting date.

Following its launch in November last year, AsiaSat 7 completed in-orbit testing in January 2012. In the near term we are looking at opportunities to temporarily use this new satellite to develop new markets before it eventually replaces AsiaSat 3S in 2014.

Currently under construction, AsiaSat 6 and AsiaSat 8 are scheduled for launch in the first half of 2014 and will bring additional capacity to our fleet once in operation.

UTILISATION AND NEW CONTRACTS

The total number of transponders leased or sold as of 30 June 2012 decreased to 102 from 108 as at 31 December 2011, primarily due to the early termination of a contract with a customer. Correspondingly, the overall utilisation rate for the period as of 30 June 2012 was 78%, compared with 82% as at 31 December 2011.

New contracts won during the period under review amounted to a total value of HK$91 million (2011: HK$367 million), while renewed contracts were worth HK$1,397 million (2011: HK$313 million), which were mainly from a renewal with a major customer during the period. Combined new and renewed contracts amounted to HK$1,488 million (2011: HK$680 million).

MARKET REVIEW

While the United States and Europe struggled under adverse economic conditions, continued investment by operators in Asia Pacific fuelled demand for direct-to-home ("DTH") services and telecommunications applications such as data distribution and private networks. Demand for these services, together with trends towards localised content and video formats with higher picture resolution such as HDTV and 3DTV, created requirements for new capacity, which AsiaSat as the pioneer in Asian satellite services is well positioned to serve.

AsiaSat 7, a new addition to the AsiaSat fleet, allows us to explore near-term business growth opportunities before replacing AsiaSat 3S in 2014.

AsiaSat 6 and AsiaSat 8 are wholly new satellites that offer scope for expansion once they come on stream. AsiaSat 6 will have 28 high-powered C-band transponders while AsiaSat 8 will have 24 Ku-band transponders and a Ka-band beam. The two SS/L 1300 satellites will offer exceptional power and additional beam coverage for services across Asia, the Middle East and Australasia.

For AsiaSat 6, we have signed a unique arrangement with Thaicom Public Company Limited ("Thaicom") that enables us to share certain frequencies in the 120°E orbital slot and develop a market at this location.

AsiaSat 8, which will be co-located with AsiaSat 5, will provide additional Ku-band capacity for services including DTH television, private networks and data distribution.

Launch contracts

During the review period, AsiaSat signed agreements with two companies for the launch of AsiaSat's future satellites — AsiaSat 6, AsiaSat 8 and the yet to be contracted AsiaSat 9.

On 8 February 2012, an agreement was signed with Space Exploration Technologies ("SpaceX") to launch two AsiaSat communications satellites using SpaceX's Falcon 9 rocket from its launch complex at Cape Canaveral Air Force Station in Florida, USA.

On 22 June 2012, AsiaSat also signed a contract with International Launch Services ("ILS") that can be used as the launch service for any of our three upcoming satellites.

TAI PO EARTH STATION EXPANSION

Expansion of the Tai Po Earth Station in Hong Kong

During the first half of 2012, we completed the expansion of the Tai Po Earth Station in Hong Kong. Besides supporting the Telemetry, Tracking and Control (TT&C) activities of AsiaSat's satellite fleet, it also provides value added services such as C-band and Ku-band traffic uplink, shared hub services, MCPC (Multiple Channels per Carrier) distribution platforms, equipment hosting and backup services to customers.

The Earth Station expansion allows us to remain competitive in an industry that increasingly demands such value added services and complements our existing core business of transponder capacity leasing.

BUSINESS DEVELOPMENT

SpeedCast

SpeedCast is a wholly-owned AsiaSat subsidiary and provider of network services to organisations mainly in the maritime, mobile communications, banking, oil and gas industries. During the period, SpeedCast generated turnover of HK$124 million (2011: HK$118 million), an increase of 5% compared with the first half of last year. Net profit was HK$10 million (2011: HK$9 million).

At the end of the review period, we were engaged in discussions for disposing of the Company's interest in this business. Since SpeedCast is not one of our core businesses, we believe that it would be in a better position to achieve its full potential under different ownership. As of 30 June 2012, no terms for disposal had been finalised and such possible disposal may or may not materialise.

DISH-HD Asia Satellite

As described in our 2011 annual report, AsiaSat had agreed to dispose of its stake in DISH-HD Asia Satellite, a joint venture between AsiaSat and EchoStar Corporation for the provision of DTH services. In June 2012, the Office of the Communications Authority approved the disposal arrangement. However, AsiaSat continues to provide satellite capacity and support services for DISH-HD Asia Satellite's ongoing operations.

INDIAN FINANCE ACT

In our 2011 annual report, we mentioned a new Finance Bill that had been proposed in India and which could have unfavourable consequences for the Group's current tax proceedings in the Indian Courts. This bill was passed by the Indian Parliament in May of this year.

Under the Indian Income Tax Act (as amended by the Finance Act), revenues received from the provision of satellite transponder capacity in India or income earned from any source in India will be charged tax in India. The portion of revenue earned by the Group that would be deemed to be Indian sourced is yet to be decided by the Indian Courts and is therefore still uncertain.

OUTLOOK

During the first half of the year, the Asia-Pacific region was largely able to weather the economic storms currently being felt in Europe and the United States. In the second half of 2012, there is the possibility that we may begin seeing signs of slower growth, especially given the nature of our industry which tends to lag economic trends, both negative and positive.

Nevertheless, we remain confident in our ability to deliver sustainable growth based on our reputation for providing highly reliable satellite services and technical excellence as well as our commitment to serving our customers in a professional and responsive manner.

ACKNOWLEDGMENTS

In a global environment of economic uncertainty, AsiaSat managed to achieve revenue and profit growth during the first half of 2012. This would not have been possible without the contributions of our management team and staff or the guidance of the Board of Directors. To all of you, I extend my heartfelt appreciation. I would also like to take this opportunity to thank our customers, suppliers and equity holders for their continuing support of and confidence in our Company.

JU Wei Min
Chairman

23 August 2012

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 except as described below:

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.

On 1 April 2012, the Code on Corporate Governance Practices ("Former CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") was amended and renamed as Corporate Governance Code and Corporate Governance Report ("New CG Code"). During the relevant periods for the first half of the year 2012, the Company fully complied with the Code Provisions in the Former CG Code and New CG Code, save for the following:

(i) For the period from 1 January 2012 to 31 March 2012:

Deviation from the Former CG Code

— Deviation from Code Provision B.1.1

(ii) For the period from 1 April 2012 to 30 June 2012:

Deviation from the New CG Code

— Deviation from Code Provision A.5.1
— Deviation from Code Provision A.6.7
— Deviation from Code Provision E.1.2

Under Code Provision B.1.1 of the Former CG Code, a majority of the members of the Remuneration Committee ("RC") should be INEDs. During the period from 1 January 2012 to 31 March 2012, the RC of the Company was composed of three members, of whom one is an INED who also chairs the RC, while the other two are NEDs.

The Company considers that it is logical and more efficient to have a small RC as it allows open, frank and very focused discussions. Strict compliance with Former CG Code would have the RC consist of at least five members, implying that all the INEDs would have to participate in the RC so as to maintain the balance of input from the major shareholders' representatives. Notwithstanding the foregoing, as such requirement under the Former CG Code has now become a rule under Rule 3.25 of the Listing Rules, and the Company has changed the composition of the RC to comply with such requirement.

CODE ON CORPORATE GOVERNANCE PRACTICES (CONTINUED)

Under Code Provision A.5.1 of the New CG Code, the Nomination Committee ("NC") should be chaired by the Chairman of the board or an INED and comprise a majority of INEDs. The NC is currently composed of three members, of whom one is an INED who also chairs the NC, while the other two are NEDs.

The Company considers that it is logical and more efficient to have a small NC as it allows open, frank and very focused discussions. Strict compliance with the New CG Code would have the NC consist of at least five members, implying that all the INEDs would have to participate in the NC so as to maintain the balance of input from the major shareholders' representatives.

Under Code Provision A.6.7 of the New CG Code, NEDs and INEDs should attend general meetings of the Company. All the NEDs of the Company were absent from the annual general meeting of the Company held on 26 June 2012 ("2012 AGM"), and the court meeting of the Company held on 18 July 2012 ("Court Meeting") due to prior business engagement, except that Mr. Peter Jackson attended the Court Meeting, and Mr. Chong Chi Yeung (the alternate director to Mr. Mi Zeng Xin) attended the 2012 AGM and the Court Meeting.

Under Code Provision E.1.2 of the New CG Code, the chairman of the Board should attend the annual general meeting of the Company. As mentioned above, Mr. Ju Wei Min, the chairman of the Board of the Company, was engaged in pressing business overseas. Mr. William Wade, President and Chief Executive Officer ("CEO") of the Company, was appointed as the Chairman of the 2012 AGM to answer and address questions raised by shareholders at the 2012 AGM.

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 2012 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 2012.

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

During the six months ended 30 June 2012, 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.

Other Information

DIRECTORS' INTERESTS

As at 30 June 2012, 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:

		Number of shares/underlying shares held							
Directors	**Long or short position**	**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	Long position	800,264	–	–	–	–	–	800,264	0.20
William WADE	Long position	409,626	–	–	–	–	–	409,626	0.10
James WATKINS	Long position	50,000	–	–	–	–	–	50,000	0.01

SUBSTANTIAL EQUITY HOLDERS

As at 30 June 2012, 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 Corporation	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
Aberdeen Asset Management plc and its subsidiaries	Investment manager	Long position	19,891,000	5.08

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 Corporation ("CITIC"). Accordingly, Able Star, CITIC Asia, CITIC Projects and CITIC 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 9 October 2012 (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 28 September 2012. The interim dividend will be paid on or about 2 November 2012.

FINANCIAL REVIEW

Turnover

Turnover for the period was HK$1,095 million (2011: HK$802 million), an increase of HK$293 million over the same period last year. The increase was mainly due to a one-off revenue contribution from customers of HK$296 million (2011: Nil) resulting from enactment of the Finance Act in India in 2012, which imposes tax on the Group for certain Indian sourced revenues. In addition, our wholly-owned subsidiary, SpeedCast, also reported growth in revenue of around HK$6 million resulting from steady demand from its broadband and maritime customers.

Cost of Services

Cost of services was HK$255 million (2011: HK$249 million), a marginal increase of HK$6 million, or 2.5%. The slight increase primarily came from an increase in depreciation charges for new assets acquired in the second half of 2011.

Other Gains

The other gains of HK$17 million (2011: HK$28 million) were down from last year by HK$11 million. The drop was from a one-off non-bank interest income of HK$17 million received in the previous period. This drop has been mitigated by an increase in the bank interest income of HK$6 million resulting from a higher interest rate during the period under review.

Administrative Expenses

Administrative expenses increased to HK$105 million (2011: HK$98 million). This was mainly the result of the increase in professional fees associated with the privatisation exercise.

Income Tax Expenses

A significant portion of the Group's profit is treated as earned outside Hong Kong and is not subject to Hong Kong Profits Tax. Tax on income subject to Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the period.

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at rates of taxation, that range from 7% to 42.23% (2011: 7% to 42.23%), prevailing in the countries in which the profit is earned. The Group has made a tax provision for Indian Tax reflecting the impact of the enactment of the new Finance Act in India, which was enacted with retrospective effect in May 2012. Further details are set out in note 14 to the condensed consolidated interim financial information.

FINANCIAL REVIEW (CONTINUED)

Profit for the Period

Profit attributable to owners amounted to HK$395 million (2011: HK$367 million), an increase of HK$28 million. In the first half of 2011, the Group had to share the loss of HK$57 million of DISH-HD Asia Satellite, a jointly controlled entity, which was agreed to be disposed in December 2011. The Group had no such expense in the current period under review. However, profit has been hindered by a tax provision made for Indian tax reflecting the impact of the enactment of new Finance Act in India, which was enacted with retrospective effect in May of 2012. There was consequently an adverse effect on our profit, as the Company had to record a provision against potential Indian income tax that may be levied in the future.

Order Book

As at 30 June 2012, the value of contracts on hand amounted to HK$3,542 million (31 December 2011: HK$3,083 million), of which approximately HK$550 million will be recognised in the second half of this year. A large majority of the contracts in the order book are denominated in U.S. Dollars.

Financial Results Analysis

The financial results are highlighted below:

		Six months ended 30 June		
		2012	2011	Change
Sales	HK$M	**1,095**	802	+37%
Profit attributable to owners	HK$M	**395**	367	+8%
Dividend	HK$M	**47**	31	+50%
Capital and reserves	HK$M	**7,075**	6,240	+13%
Earnings per share	HK cents	**101**	94	+7%
Dividend per share	HK cents	**12**	8	+50%
Return on owners' funds	Percent	**6**	6	—
Net assets per share — book value	HK cents	**1,809**	1,595	+13%

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group generated a net cash inflow of HK$74 million (2011: HK$97 million) after paying capital expenditure of HK$664 million (2011: HK$267 million) and no dividends payment (2011: HK$176 million). As at 30 June 2012, the Group reported a cash and cash equivalents balance of HK$2,340 million (31 December 2011: HK$2,266 million). The Group continues to be debt free.

SIGNIFICANT INVESTMENTS

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 2012, the turnover of SpeedCast was HK$124 million (2011: HK$118 million), an increase of 5%. The company also recorded a net profit of HK$10 million (2011: HK$9 million).

DISH-HD Asia Satellite

In December 2011, AsiaSat agreed to dispose of its stake in DISH-HD Asia Satellite, a joint venture between AsiaSat and EchoStar Corporation providing DTH services and the completion of such disposal was subject to approval from the Office of Communications Authority. In June 2012, the approval was obtained for this disposal. AsiaSat continues to provide satellite capacity and support services for DISH-HD Asia Satellite's ongoing operations.

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 2012, the Group had 182 (31 December 2011: 191) 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, discretionary bonuses, share award scheme and fringe benefits that are comparable with the market.

EMPLOYEES AND REMUNERATION POLICIES (CONTINUED)

The Group does not operate an in-house regular training programme. However, the Group does provide ad hoc training 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 2012 and 31 December 2011.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group are set out in note 17 to the condensed consolidated interim financial information.

As at 30 June 2012, the Group had total capital commitments of HK$2,743 million (31 December 2011: HK$2,745 million), of which HK$2,743 million (31 December 2011: HK$1,846 million) was contracted but not provided for in the interim financial information, and no commitment (31 December 2011: HK$899 million) was authorised by the Board but not yet contracted.

GEARING RATIO

As at 30 June 2012, the Company remained debt free. Therefore, a gearing ratio was not applicable.

EXCHANGE RATES AND ANY RELATED HEDGES

During the period, a great majority 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 operating expenses were primarily denominated in Hong Kong Dollars. As at 30 June 2012, the Group's existing transponder utilisation agreements with customers and the capital commitments 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.

Condensed Consolidated Statement of Financial Position

	Note	Unaudited 30 June 2012 HK$'000	Audited 31 December 2011 HK$'000
ASSETS			
Non-current assets			
Leasehold land and land use rights	7	**20,408**	20,700
Property, plant and equipment	8	**5,325,793**	4,726,467
Intangible assets	8	**38,675**	38,675
Unbilled receivables		**79,683**	96,606
Amount paid to tax authority		**–**	37,704
Total non-current assets		**5,464,559**	4,920,152
Current assets			
Inventories		**5,956**	5,369
Trade and other receivables	9	**422,618**	368,618
Cash and cash equivalents		**2,340,493**	2,266,484
Total current assets		**2,769,067**	2,640,471
Total assets		**8,233,626**	7,560,623
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares	10	**39,120**	39,120
Reserves			
Retained earnings		**6,999,509**	6,604,346
Other reserves	11	**36,858**	32,260
		7,075,487	6,675,726
Non-controlling interests		**1,080**	1,140
Total equity		**7,076,567**	6,676,866

The notes on pages 22 to 40 form an integral part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

	Unaudited 30 June 2012 HK$'000	Audited 31 December 2011 HK$'000
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	**294,061**	287,596
Deferred revenue	**81,102**	90,011
Obligations under finance leases	**72**	—
Other amounts received in advance	**1,377**	37,264
Other payables	**2,150**	2,150
Total non-current liabilities	**378,762**	417,021
Current liabilities		
Construction payables	**150,173**	36,064
Other payables and accrued expenses	**103,121**	100,506
Deferred revenue	**206,151**	232,927
Current income tax liabilities	**318,731**	97,118
Dividend payable	**121**	121
Total current liabilities	**778,297**	466,736
Total liabilities	**1,157,059**	883,757
Total equity and liabilities	**8,233,626**	7,560,623
Net current assets	**1,990,770**	2,173,735
Total assets less current liabilities	**7,455,329**	7,093,887

The notes on pages 22 to 40 form an integral part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

	Note	Unaudited Six months ended 30 June **2012** **HK$'000**	2011 HK$'000
Continuing operations			
Sales	6	**1,094,610**	801,857
Cost of services		**(255,381)**	(249,102)
Gross profit		**839,229**	552,755
Other gains, net		**16,861**	27,756
Administrative expenses		**(105,021)**	(98,035)
Operating profit	12	**751,069**	482,476
Finance costs		**(3,321)**	(4,891)
Profit before income tax		**747,748**	477,585
Income tax expense	14	**(352,645)**	(52,787)
Profit for the period from continuing operations		**395,103**	424,798
Discontinued operations			
Share of losses of a jointly controlled entity from discontinuing operations	13	**—**	(57,475)
Profit and total comprehensive income for the period		**395,103**	367,323
Profit and total comprehensive income attributable to:			
— Owners of the Company		**395,163**	367,380
— Non-controlling interests		**(60)**	(57)
		395,103	367,323
		HK$ per share	HK$ per share
Earnings per share attributable to owners of the Company			
— Basic earnings per share	15	**1.01**	0.94
— Diluted earnings per share	15	**1.01**	0.94
		HK$'000	HK$'000
Interim dividend	16	**46,943**	31,296

The notes on pages 22 to 40 form an integral part of the 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 2012		39,120	17,866	(1,060)	15,454	6,604,346	6,675,726	1,140	6,676,866
Total comprehensive income for the period		–	–	–	–	395,163	395,163	(60)	395,103
Transactions with owners in their capacity as owners:									
Employees share award scheme:									
– Share-based payment		–	–	–	4,598	–	4,598	–	4,598
– Shares vested under Share Award Scheme		–	–	1,042	(1,042)	–	–	–	–
Total transactions with owners		–	–	1,042	3,556	–	4,598	–	4,598
Balance at 30 June 2012		**39,120**	**17,866**	**(18)**	**19,010**	**6,999,509**	**7,075,487**	**1,080**	**7,076,567**
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

The notes on pages 22 to 40 form an integral part of the condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

	Unaudited	
	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Cash flows from operating activities:		
— cash flow from operations	**806,872**	524,629
— taxes paid	**(86,862)**	(12,795)
Cash flows from operating activities — net	**720,010**	511,834
Cash flows used in investing activities:		
— purchases of property, plant and equipment	**(663,682)**	(266,806)
— proceeds on disposals of property, plant and equipment	**150**	—
— interest received	**20,859**	27,306
Cash flows used in investing activities — net	**(642,673)**	(239,500)
Cash flows used in financing activities:		
— dividends paid	**—**	(175,552)
— other borrowing cost paid	**(3,318)**	—
— repayment of obligations under finance leases	**(7)**	(5)
— interest paid	**(3)**	(5)
Cash flows used in financing activities — net	**(3,328)**	(175,562)
Net increase in cash and cash equivalents	**74,009**	96,772
Cash and cash equivalents at beginning of the period	**2,266,484**	2,286,164
Cash and cash equivalents at end of the period, representing bank balances and cash	**2,340,493**	2,382,936

The notes on pages 22 to 40 form an integral part of the 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 23 August 2012.

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 2012 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 2011, 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 2011, 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 amendments to standards are mandatory for the first time for the financial year beginning 1 January 2012 are as follows:

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets

The adoption of these amendments to standards 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 2012 and have not been early adopted:

HKAS 1 (Amendment)	Presentation of Financial Statements[1]
HKAS 19 (Amendment)	Employee Benefits[1]
HKAS 27 (revised 2011)	Separate Financial Statements[1]
HKAS 28 (revised 2011)	Associates and Joint Ventures[1]
HKAS 32 (Amendment)	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]
HKFRS 7 (Amendment)	Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurements[1]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures[3]
HKFRSs (Amendments)	Improvements to HKFRSs 2011[1]

1 Effective for the Group for annual periods beginning on or after 1 January 2013
2 Effective for the Group for annual periods beginning on or after 1 January 2014
3 Effective for the Group for annual periods beginning on or after 1 January 2015

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 2011.

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 2011.

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 2012, 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 2012, 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 2012 HK$'000	2011 HK$'000
Income from provision of satellite transponder capacity (Note)	**948,816**	666,046
Sales of satellite transponder capacity	**8,909**	8,909
Income from provision of broadband access services and sale of equipment	**124,522**	118,317
Other revenue	**12,363**	8,585
	1,094,610	801,857

Note:

For the six months ended 30 June 2012, a total amount of HK$295,668,000 (for the six months ended 30 June 2011: Nil) was recorded as the additional revenue from certain customers following the enactment of the Finance Act in India in 2012, which imposes tax on the Group for certain Indian sourced revenues.

(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. 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 (no further losses were shared during the period and the investments were fully impaired as at 31 December 2011. On 29 June 2012, the Group had disposed of the entire investments and this segment is classified as "discontinued". Refer to Note 13 for details.).

6 SALES AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

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.

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 are as follows:

	Six months ended 30 June 2012				
	Provision of satellite telecommunication systems for broadcasting and telecommunication HK$'000	Broadband access services HK$'000	Direct-to-Home satellite television service (discontinued) HK$'000	Inter-segment elimination HK$'000	Consolidated HK$'000
Sales to external customers	856,274	124,522	–	–	980,796
Sales to related parties (note 18)	101,451	–	–	–	101,451
Inter-segment sales	51,286	404	–	(51,690)	–
Other revenue	13,444	–	–	(1,081)	12,363
Total	1,022,455	124,926	–	(52,771)	1,094,610
Operating profit	740,676	10,393	–	–	751,069
Finance costs	(3,318)	(3)	–	–	(3,321)
Profit before income tax	737,358	10,390	–	–	747,748
Income tax expense	(352,645)	–	–	–	(352,645)
Profit for the period	384,713	10,390	–	–	395,103
Depreciation	172,049	6,585	–	–	178,634
Interest income	16,714	–	–	–	16,714
Capital expenditure	768,062	10,698	–	–	778,760
At 30 June 2012					
Total assets	8,108,816	142,254	–	(17,444)	8,233,626
Total liabilities	1,121,196	53,307	–	(17,444)	1,157,059

6 SALES AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

	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 (discontinued) 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 18)	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
At 31 December 2011					
Total assets	7,453,303	122,498	—	(15,178)	7,560,623
Total liabilities	854,995	43,940	—	(15,178)	883,757

6 SALES AND SEGMENT INFORMATION (CONTINUED)

(b) Segment information (continued)

The Group is domiciled in Hong Kong. The sales to customers in Greater China (including Hong Kong) for the six months ended 30 June 2012 are HK$427,826,000 (for the six months ended 30 June 2011: HK$225,600,000), and the total sales to customers in other countries is HK$666,784,000 (for the six months ended 30 June 2011: HK$576,257,000).

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.

7 LEASEHOLD LAND AND LAND USE RIGHTS

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
At 1 January	**20,700**	21,283
Amortisation of prepaid operating lease payments (note 12)	**(292)**	(291)
At 30 June	**20,408**	20,992

8 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Intangible assets– Goodwill HK$'000	Property, plant and equipment HK$'000
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
Six months ended 30 June 2012		
Opening net book amount at 1 January 2012	38,675	4,726,467
Additions	—	778,760
Disposals	—	(800)
Depreciation (note 12)	—	(178,634)
Closing net book amount at 30 June 2012	**38,675**	**5,325,793**

9 TRADE AND OTHER RECEIVABLES

	30 June 2012 HK$'000	31 December 2011 HK$'000
Trade receivables	**324,640**	264,453
Trade receivables from related parties (note 18)	**88,804**	90,618
Less: provision for impairment of trade receivables	**(50,110)**	(63,046)
Trade receivables — net	**363,334**	292,025
Other receivables	**37,575**	40,030
Other receivables from related parties (note 18)	**3,499**	4,604
Deposits and prepayments	**18,210**	31,959
	422,618	368,618

9 TRADE AND OTHER RECEIVABLES (CONTINUED)

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 2012 HK$'000	31 December 2011 HK$'000
0 to 30 days	**248,450**	109,890
31 to 60 days	**36,230**	38,616
61 to 90 days	**17,099**	18,961
91 to 180 days	**33,244**	74,874
181 days or above	**28,311**	49,684
	363,334	292,025

10 SHARE CAPITAL

	Number of shares (thousands)	**Ordinary shares HK$'000**
Issued and fully paid		
At 1 January 2011 and 30 June 2011	391,196	39,120
At 1 January 2012 and 30 June 2012	**391,196**	**39,120**

The total authorised number of ordinary shares is 550,000,000 shares (2011: 550,000,000 shares) with a par value of HK$0.10 per share (2011: 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 16 to the 2011 annual financial statements.

Movement in the number of Award Shares is as follows:

	Number of Award Shares	
	2012	2011
At 1 January	**2,134,131**	2,651,879
Vested	**(63,500)**	—
At 30 June	**2,070,631**	2,651,879

10 SHARE CAPITAL (CONTINUED)

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

	2012		2011	
	Value HK$'000	**Number of shares held**	Value HK$'000	Number of shares held
At 1 January	**1,060**	**64,637**	12,891	1,080,144
Shares vested during the period	**(1,042)**	**(63,500)**	—	—
At 30 June	**18**	**1,137**	12,891	1,080,144

A total of 63,500 shares (2011: Nil) at a cost of HK$1,042,035 were vested during the period. There was no share awarded or purchased during the period (2011: Same). The remaining vesting periods of the Award Shares outstanding as at 30 June 2012 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 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
At 1 January 2012	17,866	15,454	(1,060)	32,260
Share-based payment	—	4,598	—	4,598
Shares vested under Share Award Scheme	—	(1,042)	1,042	—
At 30 June 2012	**17,866**	**19,010**	**(18)**	**36,858**

12 OPERATING PROFIT

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

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Interest income	**16,714**	27,759
Net gain/(loss) on disposals of property, plant and equipment other than transponders	**147**	(3)
Other gains, net	**16,861**	27,756
Salary and other benefits, including directors' remuneration	**77,715**	72,621
Share-based payment	**4,598**	5,159
Pension costs — defined contribution plans	**5,817**	3,706
Total staff costs	**88,130**	81,486
Auditors' remuneration	**790**	794
Provision for impairment of trade receivables	**8,620**	8,756
Depreciation (note 8)		
— Property, plant and equipment	**178,634**	172,410
Operating leases		
— Premises	**5,821**	5,163
— Leasehold land and land use rights (note 7)	**292**	291
Net exchange gain	**(1,265)**	(499)

13 DISCONTINUED OPERATIONS — SHARE OF LOSSES OF A JOINTLY CONTROLLED ENTITY

On 29 June 2012, the Group completed the disposal of its entire interest in a jointly controlled entity, DISH-HD Asia Satellite and its subsidiaries, to an independent third party. The results of DISH-HD Asia Satellite are presented in this condensed consolidated interim financial information as a discontinued operation. Comparative figures have been restated.

The interest in the jointly controlled entity was fully impaired as at 31 December 2011. For the period ended 30 June 2012, the Group did not take up any additional share of losses of DISH-HD Asia Satellite (2011: HK$57,475,000 including a provision for impairment of the jointly controlled entity's assets of HK$23,400,000) as the accumulated share of losses has exceeded the Group's interest in the jointly controlled entity and the Group does not have an obligation to fund further losses. The disposal did not result in any gain or loss.

14 INCOME TAX EXPENSES

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% (2011: 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% (2011: 7% to 42.23%), prevailing in the countries the profit is earned.

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Current income tax		
— Hong Kong profits tax	**29,647**	42,227
— Overseas taxation	**316,533**	13,050
Deferred income tax	**6,465**	(2,490)
	352,645	52,787

The Group has been in dispute with the Indian tax authority ("IR") in respect of revenues earned from provision of satellite transponder capacity. The Group has been assessed for tax by the IR on revenues received for the provision of satellite transponder capacity to certain customers for purposes of those customers carrying on business in India or earning income from any source in India. Details were set out in Note 31 to the annual financial statements for the year ended 31 December 2011.

In May 2012, the Finance Bill was passed by the Indian Parliament and certain amendments were enacted with retrospective effect. Under the Indian Income Tax Act (as amended by the Finance Act), revenues received from the provision of satellite transponder capacity to customers which carry on business in India or earn income from any source in India ("Indian sourced") is chargeable to tax in India subject to the judicial interpretation of the amended provision by the Courts in India. As the Finance Act introduced certain amendments with retrospective effect, this may have significant unfavourable consequences to the Group's tax proceedings in the Indian Courts in respect of which orders in favour of the Group had been granted in the past. The amount of the Group's revenues that is deemed to be Indian sourced is yet to be decided by the Indian Courts and is therefore the exact tax consequences are still uncertain.

Based on the latest advice received by the Group from the Group's advisers in India, the Group has recorded a provision of HK$382 million as of 30 June 2012 reflecting an appropriately conservative view based on the historical information currently available. Management intends to rigorously defend the Group's position in this regard in the ongoing tax proceedings in the Indian Courts.

The Group has certain overseas tax provisions made in prior years in relation to its withholding obligations. Management considers the likelihood for certain part of these liabilities are remote and therefore a reversal of HK$73 million has been made during the current period.

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	
	2012	2011
	HK$'000	HK$'000
Profit attributable to owners of the Company	**395,163**	367,380
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**391,176**	390,115
Basic earnings per share (HK$ per share)	**1.01**	0.94

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

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. This calculation is 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 be in issue the restricted shares were fully vested.

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Profit attributable to owners of the Company	**395,163**	367,380
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**391,176**	390,115
Effect of unvested awarded shares (in thousands)	**1,272**	1,457
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	**392,448**	391,572
Diluted earnings per share (HK$ per share)	**1.01**	0.94

16 DIVIDENDS

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Dividends paid		
No final dividend paid for the year ended 31 December 2011 (final dividend paid for the year ended 31 December 2010 of HK$0.45 per share)	–	176,038
Less: Dividend for shares held by Share Award Trust	–	(486)
	–	175,552
Dividends declared		
Interim dividend for the six months ended 30 June 2012 of HK$0.12 per share (interim dividend for the six months ended 30 June 2011 of HK$0.08 per share)	**46,943**	31,296

An interim dividend of HK$0.12 per share (2011: HK$0.08 per share) was proposed by the Board of Directors on 23 August 2012. It is payable on or about 2 November 2012 to shareholders who are on the register on 9 October 2012. This interim dividend, amounting to HK$46,943,000 (2011: 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 2012.

17 COMMITMENTS

Capital commitments

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

	30 June 2012 HK$'000	31 December 2011 HK$'000
AsiaSat 7		
Contracted but not provided for	—	76,703
Authorised but not contracted	—	9,478
AsiaSat 6		
Contracted but not provided for	955,289	851,424
AsiaSat 8		
Contracted but not provided for	924,698	881,174
Launch services for new satellite		
Contracted but not provided for	850,200	—
Authorised but not contracted	—	889,200
Other assets		
Contracted but not provided for	12,673	36,940
	2,742,860	2,744,919

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 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 2012 HK$'000	31 December 2011 HK$'000
Not later than 1 year	10,223	10,017
Later than 1 year and not later than 5 years	8,955	13,781
	19,178	23,798

17 COMMITMENTS (CONTINUED)

Operating lease commitments — as lessor

The Group leased its premises to third parties 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$9,679,000 (2011: HK$4,412,000).

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

	30 June 2012	31 December 2011
	HK$'000	HK$'000
Not later than 1 year	**17,346**	17,371
Later than 1 year and not later than 5 years	**20,115**	28,483
	37,461	45,854

18 RELATED-PARTY TRANSACTIONS

At 30 June 2012, 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 Corporation ("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.

On 29 June 2012, the Group has completed the disposal of its entire interest in DISH-HD Asia Satellite, a jointly controlled entity, after obtaining the regulatory approval for this disposal. Power Star Limited, a subsidiary of the DISH-HD Asia Satellite, was still classified as a related party up to 29 June 2012.

18 RELATED-PARTY TRANSACTIONS (CONTINUED)

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 its 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.

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

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
CITICSat	**97,153**	84,335
Power Star Limited	**4,298**	23,400
Total (note 6(b))	**101,451**	107,735

(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	
	2012	2011
	HK$'000	HK$'000
Power Star Limited	**2,547**	4,042

18 RELATED-PARTY TRANSACTIONS (CONTINUED)

(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	
	2012	2011
	HK$'000	HK$'000
CITICSat	**3,084**	3,993

(d) Key management compensation

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
Salaries and other short-term employee benefits	**25,905**	26,848
Share-based payments	**2,061**	3,632
	27,966	30,480

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

	Six months ended 30 June	
	2012	2011
	HK$'000	HK$'000
A subsidiary of CITIC	**250**	250
A subsidiary of GE	**275**	275
	525	525

18 RELATED-PARTY TRANSACTIONS (CONTINUED)

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

	30 June 2012 HK$'000	31 December 2011 HK$'000
Trade receivables from related parties (note 9):		
CITICSat (Note)	**88,804**	90,618
Other receivables from related parties (note 9):		
CITICSat	**3,499**	3,317
Power Star Limited	**—**	1,287
	3,499	4,604
Deferred revenue in relation to related parties:		
CITICSat	**55,777**	66,702

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 each year end. At 30 June 2012, a provision for impairment of HK$5,495,000 (31 December 2011: HK$3,000) was recorded and included within the provision as disclosed in Note 9.

19 CONTINGENCIES

Save as disclosed in other notes to the condensed consolidated interim financial information, there have been no other contingencies to the interim financial information.

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

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 40, which comprises the interim condensed consolidated statement of financial position of Asia Satellite Telecommunications Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2012 and the related interim 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, 23 August 2012

Shareholder Information

2012 FINANCIAL CALENDAR

Interim results announcement	23 August 2012
Last day to register for 2012 interim dividend	28 September 2012
Book closure period	3 October — 9 October 2012
Interim dividend payment	2 November 2012
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 2012: 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 2012

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:

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Telephone : (852) 2500 0880
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INVESTOR RELATIONS CONTACT

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