



**ASIA SATELLITE
TELECOMMUNICATIONS
HOLDINGS LIMITED**

STOCK CODE: 1135

SPREADING OUR WINGS ABOVE ASIA

2013 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.

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CORPORATE INFORMATION

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CHAIRMAN AND NON-EXECUTIVE DIRECTOR

JU Wei Min

DEPUTY CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Sherwood P. DODGE

EXECUTIVE DIRECTOR

William WADE *(President and Chief Executive Officer)*

NON-EXECUTIVE DIRECTORS

LUO Ning

Peter JACKSON

John F. CONNELLY

Nancy KU

MI Zeng Xin *(resigned on 9 May 2013)*

Mark CHEN *(resigned on 9 May 2013)*

ALTERNATE DIRECTOR

Jack CHONG

*(resigned as alternate director to MI Zeng Xin and
appointed as alternate director to LUO Ning
both on 9 May 2013)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Stephen LEE Hoi Yin *(appointed on 6 March 2013)*

Kenneth McKELVIE *(appointed on 6 March 2013)*

James WATKINS

Maura WONG Hung Hung *(appointed on 9 May 2013)*

Edward CHEN *(retired on 19 June 2013)*

Robert SZE *(retired on 19 June 2013)*

AUDIT COMMITTEE

Kenneth McKELVIE *(Chairman)
(appointed on 19 June 2013)*

Stephen LEE Hoi Yin *(appointed on 19 June 2013)*

James WATKINS

Maura WONG Hung Hung *(appointed on 19 June 2013)*

JU Wei Min *(Non-voting)*

Nancy KU *(Non-voting)
(appointed on 9 May 2013)*

Edward CHEN *(retired on 19 June 2013)*

Mark CHEN *(resigned on 9 May 2013)*

Robert SZE *(retired on 19 June 2013)*

NOMINATION COMMITTEE

Maura WONG Hung Hung *(Chairman)
(appointed on 19 June 2013)*

JU Wei Min *(appointed on 9 May 2013)*

Sherwood P. DODGE

Stephen LEE Hoi Yin *(appointed on 19 June 2013)*

James WATKINS *(appointed on 19 June 2013)*

Edward CHEN *(retired on 19 June 2013)*

MI Zeng Xin *(resigned on 9 May 2013)*

REMUNERATION COMMITTEE

Stephen LEE Hoi Yin *(Chairman)
(appointed on 19 June 2013)*

Peter JACKSON *(appointed on 19 June 2013)*

John F. CONNELLY *(appointed on 19 June 2013)*

Kenneth McKELVIE *(appointed on 19 June 2013)*

Maura WONG Hung Hung *(appointed on 19 June 2013)*

Edward CHEN *(retired on 19 June 2013)*

JU Wei Min *(resigned on 19 June 2013)*

Nancy KU *(resigned on 19 June 2013)*

Robert SZE *(retired on 19 June 2013)*

James WATKINS *(resigned on 19 June 2013)*

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

12th Floor, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong



STABLE PERFORMANCE IN CORE BUSINESS

After several consecutive years of record results, AsiaSat produced relatively flat results in the six months leading up to 30 June 2013.

As stated in our 2012 annual report, these results were expected after taking into account a number of exceptional items affecting our business, such as the one-off revenue contribution from customers following the enactment of the Finance Act in India in May 2012 and the sale of one of our subsidiary companies.

Additionally, the stable performance achieved during the first six months of 2013 may not be reflected in the remainder of the year. As previously announced, contracts with a key customer were renegotiated last year at lower levels. The full impact of this change will be felt in the second half of the year. We expect 2014 will see improvement with the launches of new satellites that will add to our capacity and fuel the further growth of our business.

INTERIM RESULTS

Turnover

Turnover from continuing operations for the first half of 2013 was HK\$767 million (2012: HK\$1,022 million), representing a decrease of 25% over the same period last year. The reduction was caused mainly by reason of a one-off revenue contribution of HK\$296 million recorded in the same period last year as a result of the enactment of Finance Act in India in May 2012. The elimination of this item results in a slight increase in our core business revenue, assisted by the short-term revenue generated from leasing AsiaSat 7 to certain customer.

Operating expenses

Operating expenses in the first half of 2013, excluding depreciation, totalled HK\$96 million (2012: HK\$126 million), representing a decrease of 24% compared with the first half of 2012. The reduction resulted mainly from the incurring in the first half of 2012 of professional fees associated with the privatisation proposal, while no such expense was incurred in the current period. The reversal of impairment provisions previously made on certain customer debts also contributed to the decrease in operating expenses.

Profit

Profit attributable to equity holders for the first half of 2013 was HK\$401 million (2012: HK\$395 million), slightly better compared to the same period last year, despite a reduction in revenue, mainly as a result of the reduction in professional fees referred to above, coupled with careful management of expenditure.



INTERIM RESULTS (Continued)

Cash flow

For the first six months to 30 June 2013, the Group generated a net cash inflow of HK\$9 million (2012: HK\$74 million) after capital expenditure of HK\$584 million (2012: HK\$664 million). As of 30 June 2013, the Group had cash and bank balances of HK\$2,114 million (31 December 2012: HK\$2,105 million) and continues to be free of debt.

Dividend

The Board has declared an interim dividend of HK\$0.12 per share (2012: HK\$0.12 per share), which will become payable on or about 1 November 2013 to equity holders on the share register as at 8 October 2013. The share register will be closed from 2 to 8 October 2013 (both days inclusive).

CORPORATE DEVELOPMENT

Board and senior management

During the period under review, three new Independent Non-Executive Directors ("INEDs") were appointed to the Board of Directors. These comprised Mr. Stephen Lee Hoi Yin and Mr. Kenneth McKelvie, whose appointments were announced on 6 March 2013, and Ms. Maura Wong Hung Hung whose appointment took effect on 9 May 2013.

Also announced during the first half of 2013 were the resignations of Mr. Mi Zeng Xin and Mr. Mark Chen. At the conclusion of the annual general meeting on 19 June 2013, the Company announced the retirement of Professor Edward Chen and Mr. Robert Sze, who served as INEDs of the Company and as Chairman and/or members of various Board committees for many years. The Board of Directors would like to thank Mr. Mi, Mr. Chen, Professor Chen and Mr. Sze for the invaluable services they have rendered to the Company.

The three committees of the Board and their chairs have also been restructured owing to the number of new members joining or retiring from the Board.



SATELLITES

Our fleet

AsiaSat's existing fleet of four in-orbit satellites — AsiaSat 3S, AsiaSat 4, AsiaSat 5 and AsiaSat 7 — continued to provide exceptional service to millions of people across the Asia-Pacific region.

We are also pleased to report that the manufacture and preparation for the launches of our new satellites AsiaSat 6 and AsiaSat 8 remained on track, with AsiaSat 6 scheduled for the first quarter of 2014 and AsiaSat 8 for the second quarter. Once in orbit, these new satellites will provide us with the capacity to exploit new opportunities and serve existing growth markets.

AsiaSat 6 will be focused on market opportunities for video and telecommunications services in Mainland China, where we are presently providing primarily data and telecommunications services. With AsiaSat 6's ability to meet the Chinese customers' requirements for high quality satellite capacity, we hope to increase our presence and scope of service in this significant market.

AsiaSat 8, which will be collocated with one of our existing satellites, will add new Ku-band capacity to serve high-growth markets in the South Asia and Central Asia as well as the Asia-Pacific region.

AsiaSat 7, now in orbit, will replace AsiaSat 3S in 2014. As we stated in our 2012 annual report, we had been looking for interim opportunities to generate temporary sources of revenue for this new satellite. During the period, opportunities arose that have allowed us to generate short term revenue from this satellite.

The total number of transponders leased or sold as of 30 June 2013 decreased to 104 from 105 as of 31 December 2012. The overall utilisation rate for the period remained stable at 79% as of 30 June 2013.

New contracts won during the review period amounted to a total value of HK\$234 million (2012: HK\$91 million), while renewed contracts were HK\$181 million (2012: HK\$1,397 million). Combined new and renewed contracts amounted to HK\$415 million (2012: HK\$1,488 million).

MARKET REVIEW

In my Chairman's Statement for 2012, I expressed some concern about the prospects for our business in the prevailing economic climate, although I remained optimistic about the industry as a whole.

We are finding that the weak economic situation is beginning to affect our customers and our Asian competitors, which has created a more competitive market. Nevertheless, we believe there are opportunities for the expansion of our business in the key growth markets of South Asia, Southeast Asia and the Middle East.

We particularly see potential to serve new Ku-band markets in Southeast Asia, such as Indonesia and Thailand, and new and existing markets for services such as DTH and HDTV. As some of these markets lack capacity from their own domestic satellites, customers are looking to foreign operators to provide the capacity they need to expand their existing services or launch new services. Our reputation for providing highly reliable satellite capacity together with our commitment to the customer puts us in an excellent position to develop new business opportunities in these markets.



CHAIRMAN'S STATEMENT

BUSINESS DEVELOPMENT

GeoMetWatch partnership

In April we announced a partnership with GeoMetWatch Corp to host a new generation of meteorological instruments on board our future satellite AsiaSat 9, planned for a 2016 launch date.

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To be positioned at 122 degrees East, it is intended that AsiaSat 9 will host the first hyperspectral STORM™ sensor that will collect a level of weather data not currently available and allow meteorologists to provide more accurate weather forecasts and predictions of severe weather conditions.

Although there are a number of technical and commercial challenges yet to be overcome, we are enthusiastic about taking this partnership forward and realising its potential to provide us with a new and diversified revenue stream for AsiaSat 9.

INDIAN FINANCE ACT

The Finance Act passed in May 2012 continued to affect our business in that country, as this Act attempts to tax revenue generated from the provision of satellite transponder capacity to Indian customers and any non-Indian customers considered having income earned from any business/source in India. As stated in previous reports, the amount of AsiaSat's revenue if any, considered to be Indian sourced, is still under discussion as of the date of this report.

In the Indian Government Budget which was announced in February of this year, one of the initiatives of which was the increase of the royalty withholding tax rate from 10% to 25% effective from 1 April 2013. This Budget was approved by the parliament in India in May. This increase in tax rate could have a negative impact on our business in that country.

EX-IM BANK LOAN

We were pleased to note that in June our application had been authorised for a long-term loan of up to US\$343 million by the Export-Import Bank of the United States ("Ex-Im Bank"), an independent U.S. government agency that helps finance purchases of US products. The loan, whose terms and conditions are yet to be finalised, will be used to finance the construction and launches of AsiaSat 6 and AsiaSat 8.

DISPOSAL OF SPEEDCAST

SpeedCast Holdings Limited ("SpeedCast") ceased to contribute to the Group's results with effect from September 2012. However, SpeedCast continues to be a customer of AsiaSat, using AsiaSat's satellite capacity to provide services for broadband applications across the Asia-Pacific region, and remains a key revenue contributor.



OUTLOOK

For the second half of 2013, we do not expect to see any major new business developments as we await the launch of AsiaSat 6 and AsiaSat 8 in the first half of 2014. These new satellites will provide an opportunity to grow our business in years to come.

We foresee that new business will remain highly competitive during the second half. We can also expect a reduction in turnover and profit as we will feel the full effect of the renegotiated contracts with one of our longest-standing customers at terms lower than previous contract in the second half.

ACKNOWLEDGMENTS

I would like to thank our management team and staff for their dedication and hard work for the Company. I am also grateful to our Board of Directors, particularly those who have retired this year for their many years of dedicated service. Their wisdom and advice over the years has been instrumental in guiding our Company forward.

Finally, I would like to thank our customers, suppliers and shareholders for their continuing support and to assure them that the year ahead will be one of renewed business opportunities for AsiaSat.

JU Wei Min

Chairman

22 August 2013



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:

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CODE ON CORPORATE GOVERNANCE PRACTICES

All INEDs and non-executive directors (“NEDs”) 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 Company is committed to maintaining high standards of corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls and transparency and accountability to all shareholders. The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code and Corporate Governance Report (“CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the six months ended 30 June 2013 except for the following:

Under Code Provision A.5.1 of the CG Code, the Nomination Committee (“NC”) should be chaired by the Chairman of the board or an INED and comprise a majority of INEDs. During the period from 1 January 2013 to 18 June 2013, the NC was composed of three members, of whom only one was an INED who also chaired the NC, while the other two were NEDs. The Company considered that it was logical and more efficient to have a small NC as it allows open, frank and very focused discussions. Notwithstanding the foregoing, the Company has, with effect from 19 June 2013, appointed an additional two INEDs to the NC such that the majority of members are INEDs in compliance with the CG Code.

Under Code Provision A.6.7 of the CG Code, all NEDs and INEDs should attend general meetings of the Company and develop a balanced understanding of the views of shareholders. Mr. Luo Ning and Ms. Maura Wong Hung Hung, being a NED and an INED of the Company respectively, were unable to attend the annual general meeting of the Company held on 19 June 2013 due to other business and personal commitments.

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 compliance with the relevant code provisions.



AUDIT COMMITTEE

The Audit Committee consists of six members, four 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 2013 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 2013.

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

During the six months ended 30 June 2013, the Trust, which was set up to administer the Company's Share Award Scheme, has purchased a total of 527,500 ordinary shares of HK\$0.1 each of the Company at an average price of HK\$30 per share on the Stock Exchange. The purchase involved a total cash outlay of HK\$15,714,000. The aggregate price of the purchased shares was charged to equity as "Shares held under Share Award Scheme".

Save as disclosed above, neither the Company nor any of its subsidiary companies has purchased or sold or redeemed any of the Company's listed securities during the six months ended 30 June 2013.

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 publication of the announcements of the interim and annual results.



OTHER INFORMATION

DIRECTORS' INTERESTS

As at 30 June 2013, 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:

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Directors	Long or short position	Number of shares/underlying shares held							% of the Issued Share Capital of the Company
		Personal interests	Family interests	Corporate interests	Trusts and similar interests	Persons acting in concert	Other interests	Total	
Peter JACKSON	Long position	800,264	—	—	—	—	—	800,264	0.20
William WADE	Long position	488,188	—	—	—	—	—	488,188	0.12
James WATKINS	Long position	50,000	—	—	—	—	—	50,000	0.01

SUBSTANTIAL EQUITY HOLDERS

As at 30 June 2013, 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 Associates	Investment manager	Long position	27,474,500	7.02



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.

UPDATE ON DIRECTORS' INFORMATION

The following are changes in the information of the directors since the date of the 2012 annual report of the Company required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules:

With effect from 22 July 2013, Mr. Ju Wei Min ceased to act as the Chairman and a NED of CITIC Resources Holdings Limited (Stock Code: 1205) listed on the Main Board of the Stock Exchange.

CLOSURE OF REGISTER OF MEMBERS

The Register of equity holders of the Company will be closed from 2 to 8 October 2013 (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 2013. The interim dividend will be paid on or about 1 November 2013.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

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Turnover from continuing operations for the period was HK\$767 million (2012: HK\$1,022 million), a decrease of HK\$255 million over the same period last year. The reduction was caused mainly by reason of a one-off revenue contribution of HK\$296 million recorded in previous period, resulting from the enactment of the Finance Act in India in 2012. The elimination of this item results in a slight increase in our core revenue, which was assisted by short-term revenue generated from leasing AsiaSat 7 to certain customer for temporary use.

Cost of services

Cost of services from continuing operations was HK\$252 million (2012: HK\$226 million), an increase of HK\$26 million, mainly as a result of the commencement of depreciation of AsiaSat 7 in the first half of the year.

Other gains

The other gains of HK\$11 million (2012: HK\$17 million) were down from the last period by HK\$6 million. This drop was caused by lower interest rates and bank deposits in the current period compared to the previous period.

Administrative expenses

Administrative expenses from continuing operations were HK\$47 million (2012: HK\$72 million), down by HK\$25 million. This was mainly the result of the reduction in professional fees associated with the privatisation exercise conducted in the previous period and the recovery of debts from certain customers, which had been provided for previously.

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. Tax on income subject to Hong Kong Profits Tax is calculated at 16.5% (2012: 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 43.26% (2012: 7% to 42.23%), prevailing in the countries in which the profit is earned. In the first half of year 2012, the Group made a one-off tax provision for Indian Tax reflecting the impact of the enactment of the Finance Act in India. Further details are set out in note 14 of the condensed consolidated interim financial information.



FINANCIAL REVIEW (Continued)

Discontinued operations

During the year of 2012, the Group disposed of our wholly-owned subsidiaries, SpeedCast and its subsidiaries, and the jointly controlled entities, DISH-HD Asia Satellite Limited ("DISH-HD"). Their operating results were treated as the results from discontinued operations in the first half of 2012 for comparison purposes.

Profit for the period

Profit attributable to owners amounted to HK\$401 million (2012: HK\$395 million), slightly higher when compared to the previous period.

Order book

As at 30 June 2013, the value of contracts on hand amounted to HK\$3,597 million (31 December 2012: HK\$3,936 million), of which approximately HK\$553 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		
		2013	2012	Change
Turnover				
— Continuing operations	HK\$M	767	1,022	-25%
— Discontinued operations	HK\$M	—	125	N/A
Elimination	HK\$M	—	(52)	N/A
Consolidated Total	HK\$M	767	1,095	-30%
Profit attributable to owners	HK\$M	401	395	+2%
Dividend	HK\$M	47	47	—
Capital and reserves	HK\$M	7,224	7,075	+2%
Earnings per share	HK cents	103	101	+2%
Dividend per share	HK cents	12	12	—
Return on owners' funds	Percent	6	6	—
Net assets per share — book value	HK cents	1,847	1,809	+2%



MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group generated a net cash inflow of HK\$9 million (2012: HK\$74 million) after paying capital expenditure of HK\$584 million (2012: HK\$664 million). As at 30 June 2013, the Group had cash and bank balances of HK\$2,114 million (31 December 2012: HK\$2,105 million). The Group continues to be debt free.

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 2013, the Group had 132 (31 December 2012: 124) 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.

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 2013 and 31 December 2012.



CAPITAL COMMITMENTS

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

As at 30 June 2013, the Group had total capital commitments of HK\$1,313 million (31 December 2012: HK\$1,803 million), of which all were contracted but not provided for.

GEARING RATIO

As at 30 June 2013, the Company remained debt free. Therefore, a gearing ratio was not applicable.

EXCHANGE RATES AND ANY RELATED HEDGES

During the period, the 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 2013, the Group's existing transponder utilisation agreements with customers and the capital commitments were substantially denominated in U.S. Dollars, to which the Hong Kong Dollar is pegged. 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

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	Note	Unaudited 30 June 2013 HK\$'000	Audited 31 December 2012 HK\$'000
ASSETS			
Non-current assets			
Leasehold land and land use rights	7	19,825	20,117
Property, plant and equipment	8	6,362,139	6,064,661
Unbilled receivables		6,021	44,110
Deposits and prepayments	9	2,616	—
Total non-current assets		6,390,601	6,128,888
Current assets			
Tax recoverable		—	16,085
Trade and other receivables	9	440,506	412,899
Cash and bank balances		2,113,546	2,104,940
Total current assets		2,554,052	2,533,924
Total assets		8,944,653	8,662,812
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares	10	39,120	39,120
Reserves			
Retained earnings		7,165,454	7,468,928
Other reserves	11	19,224	30,290
		7,223,798	7,538,338
Non-controlling interests		962	1,021
Total equity		7,224,760	7,539,359

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



	Unaudited 30 June 2013 HK\$'000	Audited 31 December 2012 HK\$'000
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	360,429	352,919
Deferred revenue	63,285	72,194
Other amounts received in advance	1,377	1,377
Other payables	—	1,950
Total non-current liabilities	425,091	428,440
Current liabilities		
Construction payables	29,578	110,901
Other payables and accrued expenses	60,104	70,557
Deferred revenue	169,410	216,985
Current income tax liabilities	331,437	296,449
Dividend payable	704,273	121
Total current liabilities	1,294,802	695,013
Total liabilities	1,719,893	1,123,453
Total equity and liabilities	8,944,653	8,662,812
Net current assets	1,259,250	1,838,911
Total assets less current liabilities	7,649,851	7,967,799

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



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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		Unaudited	
		Six months ended 30 June	
	Note	2013 HK\$'000	2012 HK\$'000 (Restated)
Continuing operations			
Sales	6	767,383	1,022,455
Cost of services		(252,173)	(226,263)
Gross profit		515,210	796,192
Administrative expenses		(46,784)	(72,378)
Other gains		11,403	16,862
Operating profit	12	479,829	740,676
Finance costs		—	(3,318)
Profit before income tax		479,829	737,358
Income tax expense	14	(79,210)	(352,645)
Profit and total comprehensive income for the period from continuing operations		400,619	384,713
Discontinued operations			
Profit for the period from discontinued operations	13	—	10,390
Profit and total comprehensive income for the period		400,619	395,103
Profit and total comprehensive income attributable to:			
— Owners of the Company		400,678	395,163
— Non-controlling interests		(59)	(60)
		400,619	395,103
Profit attributable to owners of the Company arises from:			
Continuing operations		400,678	384,773
Discontinued operations		—	10,390
		400,678	395,163

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME



		Unaudited	
		Six months ended 30 June	
	Note	2013	2012
		HK\$ per share	HK\$ per share (Restated)
Earnings per share from continuing and discontinued operations attributable to owners of the Company during the period			
Basic earnings per share			
From continuing operations	15	1.03	0.98
From discontinued operations		—	0.03
From profit for the period	15	1.03	1.01
Diluted earnings per share			
From continuing operations	15	1.02	0.98
From discontinued operations		—	0.03
From profit for the period	15	1.02	1.01
		HK\$'000	HK\$'000
Interim dividend	16	46,943	46,943



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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	Unaudited							
	Attributable to owners of the Company							
	Share capital	Share premium	Shares held under Share Award Scheme	Share-based payment reserve	Retained earnings	Total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2013	39,120	17,866	(1,712)	14,136	7,468,928	7,538,338	1,021	7,539,359
Total comprehensive income for the period	—	—	—	—	400,678	400,678	(59)	400,619
Transactions with owners in their capacity as owners:								
Employees share award scheme:								
— Shares held under Share Award Scheme	—	—	(15,714)	—	—	(15,714)	—	(15,714)
— Share-based payment	—	—	—	4,648	—	4,648	—	4,648
— Final and special dividends relating to 2012	—	—	—	—	(704,152)	(704,152)	—	(704,152)
Total transactions with owners	—	—	(15,714)	4,648	(704,152)	(715,218)	—	(715,218)
Balance at 30 June 2013	39,120	17,866	(17,426)	18,784	7,165,454	7,223,798	962	7,224,760
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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS



	Unaudited	
	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Cash flows from operating activities:		
— cash flow from operations	619,322	806,872
— taxes paid	(20,627)	(86,862)
Cash flows from operating activities — net	598,695	720,010
Cash flows used in investing activities:		
— purchases of property, plant and equipment	(584,298)	(663,682)
— proceeds on disposals of property, plant and equipment	—	150
— interest received	9,923	20,859
— decrease in short-term bank deposits with maturities over three months	489,136	—
Cash flows used in investing activities — net	(85,239)	(642,673)
Cash flows used in financing activities:		
— purchase of shares under Share Award Scheme	(15,714)	—
— other borrowing cost paid	—	(3,318)
— repayment of obligations under finance leases	—	(7)
— interest paid	—	(3)
Cash flows used in financing activities — net	(15,714)	(3,328)
Net increase in cash and cash equivalents	497,742	74,009
Cash and cash equivalents at beginning of the period	789,030	2,266,484
Cash and cash equivalents at end of the period	1,286,772	2,340,493
Analysis of cash and bank balances at end of the period		
Cash and bank balances with		
— initial maturity less than three months	1,286,772	2,340,493
— initial maturity more than three months	826,774	—
	2,113,546	2,340,493

The notes on pages 22 to 42 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.

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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.

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 22 August 2013.

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 2013 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 2012, 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 2012, 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 2013 are as follows:

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKAS 16 (Amendment)	Property, Plant and Equipment
HKAS 19 (Amendment)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Associates and Joint Ventures
HKAS 32 (Amendment)	Financial Instruments: Presentation
HKAS 34 (Amendment)	Interim Financial Reporting
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine
HKFRS 1 (Amendment)	Amendments to HKFRS 1 — First Time Adoption of Hong Kong Financial Reporting Standards — Government Loans
HKFRS 7 (Amendment)	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
HKFRSs (Amendments)	Improvements to HKFRSs 2011

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 2013 and have not been early adopted:

HKAS 32 (Amendment)	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities ¹
HKAS 36 (Amendment)	Recoverable Amount disclosure for Non-Financial Assets ¹
HKFRS 9	Financial Instruments ²
HKFRS 10, HKFRS 12 and HKAS 27 (Revised 2011)	Amendments to HKFRS 10, HKFRS 12, and HKAS 27 Investment Entities ¹
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures ²
HK(IFRIC)-Int 21	Levies ¹

¹ Effective for the Group for annual periods beginning on or after 1 January 2014

² 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.

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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 2012.

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 2012.

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 2013, 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 2013, 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	
	2013 HK\$'000	2012 HK\$'000 (Restated)
Continuing operations		
Income from provision of satellite transponder capacity		
— recurring (Note)	742,031	1,000,102
— non-recurring	1,248	—
Sales of satellite transponder capacity	8,909	8,909
Other revenues	15,195	13,444
	767,383	1,022,455

Note: For the six months ended 30 June 2013, a total amount of HK\$27,079,000 (for the six months ended 30 June 2012: HK\$295,668,000) was recorded as 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. In other words, management assesses the performance based on a measure of profit after taxation of the businesses of operation, maintenance and provision of satellite telecommunication systems for broadcasting and telecommunication.

On 21 September 2012, the Group disposed of its wholly-owned interest in SpeedCast and its subsidiaries, which were principally involved in the provision of broadband access services at a gain of approximately HK\$119,221,000. The disposal group of companies was classified as "discontinued operations" during the year ended 31 December 2012. Refer to Note 13 for details.

In June 2012, the Group also completed the disposal of its interest in the jointly controlled entities involving in the provision of Direct-to-Home satellite television service. This investment was fully impaired as at 31 December 2011 and no further losses were shared by the Group during prior year. The disposal group of jointly controlled entities was classified as "discontinued operations" during the year ended 31 December 2012. Refer to Note 13 for details.

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.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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.

	Six months ended 30 June 2013			
	Continuing operations	Discontinued operations		
	Provision of satellite telecommunication systems for broadcasting and telecommunication	Broadband access services	Inter-segment elimination	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales to external customers	625,714	—	—	625,714
Sales to related parties (Note 18)	126,474	—	—	126,474
Other revenues	15,195	—	—	15,195
Total	767,383	—	—	767,383
Operating profit	479,829	—	—	479,829
Profit before income tax	479,829	—	—	479,829
Income tax expense	(79,210)	—	—	(79,210)
Profit for the period	400,619	—	—	400,619
Depreciation	203,329	—	—	203,329
Interest income	11,403	—	—	11,403
Capital expenditure	500,807	—	—	500,807
At 30 June 2013				
Total assets	8,944,653	—	—	8,944,653
Total liabilities	1,719,893	—	—	1,719,893



6 SALES AND SEGMENT INFORMATION (Continued)

(b) Segment information (Continued)

	Six months ended 30 June 2012			
	Continuing operations	Discontinued operations		
	Provision of satellite telecommunication systems for broadcasting and telecommunication	Broadband access services	Inter-segment elimination	Consolidated
	HK\$'000	HK\$'000	HK\$'000	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 revenues	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	16,713	—	—	16,713
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
At 31 December 2012				
Total assets	8,662,812	—	—	8,662,812
Total liabilities	1,123,453	—	—	1,123,453

**6 SALES AND SEGMENT INFORMATION (Continued)****(b) Segment information (Continued)**

The Group is domiciled in Hong Kong. From continuing operations, the sales to customers to Greater China (including Hong Kong) for the six months ended 30 June 2013 are HK\$288,525,000 (for the six months ended 30 June 2012: HK\$474,046,000), and the total sales to customers in other countries are HK\$478,858,000 (for the six months ended 30 June 2012: HK\$548,409,000).

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	
	2013	2012
	HK\$'000	HK\$'000
At 1 January	20,117	20,700
Amortisation of prepaid operating lease payments (Note 12)	(292)	(292)
At 30 June	19,825	20,408

8 PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
At 1 January	6,064,661	4,726,467
Additions	500,807	778,760
Disposals	—	(800)
Depreciation	(203,329)	(178,634)
At 30 June	6,362,139	5,325,793



9 TRADE AND OTHER RECEIVABLES

	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Trade receivables	317,329	294,186
Trade receivables from related parties (Note 18)	132,382	130,373
Less: provision for impairment of trade receivables	(40,451)	(41,954)
Trade receivables — net	409,260	382,605
Other receivables	8,691	7,281
Deposits and prepayments	25,171	23,013
	443,122	412,899
Less non-current portion: Deposits and prepayments	(2,616)	—
Current portion	440,506	412,899

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 2013 HK\$'000	31 December 2012 HK\$'000
Not yet due	247,466	211,721
0 to 30 days	45,930	65,773
31 to 60 days	25,389	32,417
61 to 90 days	17,380	24,371
91 to 180 days	40,547	22,120
181 days or above	32,548	26,203
	409,260	382,605



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

10 SHARE CAPITAL

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	Number of shares (thousands)	Ordinary shares HK\$'000
Issued and fully paid		
At 1 January 2012 and 30 June 2012	391,196	39,120
At 1 January 2013 and 30 June 2013	391,196	39,120

The total authorised number of ordinary shares is 550,000,000 shares (2012: 550,000,000 shares) with a par value of HK\$0.10 per share (2012: 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 13 to the 2012 annual financial statements.

Movement in the number of Award Shares is as follows:

	Number of Award Shares	
	2013	2012
At 1 January	2,090,609	2,134,131
Vested	—	(63,500)
At 30 June	2,090,609	2,070,631

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

	2013		2012	
	Value HK\$'000	Number of shares held	Value HK\$'000	Number of shares held
At 1 January	1,712	73,726	1,060	64,637
Purchase during the period	15,714	527,500	—	—
Shares vested during the period	—	—	(1,042)	(63,500)
At 30 June	17,426	601,226	18	1,137

There were no shares awarded (2012 : same) or vested during the period (2012: 63,500 shares vested at a cost of HK\$1,042,000). The remaining vesting periods of the Award Shares outstanding as at 30 June 2013 are between 1 month to 4 years.



11 OTHER RESERVES

	Six months ended 30 June			Total HK\$'000
	Share premium HK\$'000	Share-based payment reserve HK\$'000	Shares held under share award scheme HK\$'000	
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
At 1 January 2013	17,866	14,136	(1,712)	30,290
Share-based payment	—	4,648	—	4,648
Purchase of shares under Share Award Scheme	—	—	(15,714)	(15,714)
At 30 June 2013	17,866	18,784	(17,426)	19,224



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

12 OPERATING PROFIT

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

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
		(Restated)
Interest income	11,403	16,713
Net gain on disposals of property, plant and equipment other than transponders	—	149
Other gains	11,403	16,862
Salary and other benefits, including directors' remuneration	51,679	56,068
Share-based payment	4,648	4,598
Pension costs — defined contribution plans	4,049	3,775
Total staff costs	60,376	64,441
Auditors' remuneration	758	608
(Reversal of)/provision for impairment of trade receivables	(1,503)	8,620
Depreciation		
— Property, plant and equipment	203,329	172,049
Operating leases		
— Premises	4,304	4,298
— Leasehold land and land use rights (Note 7)	292	292
Net exchange gain	(8,917)	(1,472)

13 DISCONTINUED OPERATIONS

During the year 2012, the Group has disposed of the following interests in subsidiaries and jointly controlled entities. The comparative results of 2012 are restated and presented in the condensed consolidated interim financial information as discontinued operations.

- (i) On 21 September 2012, the Group disposed of its wholly-owned interest in SpeedCast and its subsidiaries which were principally involved in the provision of broadband access services at a cash consideration of USD32,240,000 (or approximately HK\$251,479,000) to an independent third party, resulting in a gain on disposal of approximately HK\$119,221,000 in the prior year.
- (ii) On 29 June 2012, the Group completed the disposal of its interest in jointly controlled entities, DISH-HD and its subsidiaries, providing direct-to-home satellite television services to an independent third party. The interest in the jointly controlled entities was fully impaired as at 31 December 2011. For the six months ended 30 June 2012, the Group did not take up any additional share of losses of DISH-HD as the accumulated share of losses had exceeded the Group's interest in the jointly controlled entity and the Group did not have an obligation to fund further losses. The disposal did not result in any gain or loss.



13 DISCONTINUED OPERATIONS (Continued)

Results of the discontinued operations

The combined results and cash flows of the discontinued operations (i.e. broadband access services and direct-to-home satellite television service) included in the condensed consolidated interim financial information are set out below:

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Sales	—	124,926
Cost of services	—	(81,889)
Gross profit	—	43,037
Administrative expenses	—	(32,642)
Other losses	—	(2)
Operating profit	—	10,393
Finance costs	—	(3)
Profit before income tax	—	10,390
Income tax expense	—	—
Profit for the period from discontinued operations	—	10,390

Cash flows from discontinued operations

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
Net cash flow from operating activities	—	14,942
Net cash used in investing activities	—	(9,900)
Net cash used in financing activities	—	(10)
Net cash flows	—	5,032

**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% (2012: 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 43.26% (2012: 7% to 42.23%), prevailing in the countries the profit is earned.

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
		(Restated)
Current income tax		
— Hong Kong profits tax	29,149	29,647
— Overseas taxation	42,551	316,533
Total current tax	71,700	346,180
Deferred income tax	7,510	6,465
Income tax expense	79,210	352,645

As described in the 2012 Annual Report, 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.

Under the latest Indian Income Tax Act (as amended by the Finance Act enacted in May 2012 with retrospective effect), revenue 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. The aforesaid retrospective amendment 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 thus 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 recorded an income tax expense of HK\$33 million for the six months ended 30 June 2013 (2012: HK\$382 million) reflecting an appropriately conservative view based on the historical information currently available. As at 30 June 2013, the aggregate unpaid tax provision amounted to HK\$312 million (31 December 2012 : HK\$291 million). Management intends to rigorously defend the Group's position in this regard in the ongoing tax proceedings in the Indian Courts.



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	
	2013 HK\$'000	2012 HK\$'000 (Restated)
Profit attributable to owners of the Company	400,678	395,163
Less:		
Profit from discontinued operations attributable to owners of the Company	—	10,390
Earnings for the purpose of basic earnings per share from continuing operations	400,678	384,773
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,889	391,176
Basic earnings per share (HK\$ per share)		
— Continuing operations	1.03	0.98
— Discontinued operations	—	0.03
	1.03	1.01

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



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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. 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 if the restricted shares were fully vested.

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000 (Restated)
Profit attributable to owners of the Company	400,678	395,163
Less:		
Profit from discontinued operations attributable to owners of the Company	—	10,390
Earnings for the purpose of diluted earnings per share from continuing operations	400,678	384,773
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,889	391,176
Effect of unvested awarded shares (in thousands)	845	1,272
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	391,734	392,448
Diluted earnings per share (HK\$ per share)		
— Continuing operations	1.02	0.98
— Discontinued operations	—	0.03
	1.02	1.01



16 DIVIDENDS

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Interim dividend for the six months ended 30 June 2013 of HK\$0.12 per share (for the six months ended 30 June 2012 of HK\$0.12 per share)	46,943	46,943

An interim dividend of HK\$0.12 per share (2012 : HK\$0.12 per share) was proposed by the Board of Directors on 22 August 2013. It is payable on or about 1 November 2013 to shareholders who are on the register on 8 October 2013. This interim dividend, amounting to HK\$46,943,000 (2012: HK\$46,943,000), 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 2013.

17 COMMITMENTS

Capital commitments

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

	30 June	31 December
	2013	2012
	HK\$'000	HK\$'000
AsiaSat 6		
Contracted but not provided for	338,464	580,663
AsiaSat 8		
Contracted but not provided for	469,336	637,463
Launch services for new satellite		
Contracted but not provided for	493,740	571,740
Other assets		
Contracted but not provided for	11,881	13,081
	1,313,421	1,802,947

**17 COMMITMENTS** (Continued)**Operating lease commitments — as lessee**

The Group leases certain of its office premises under non-cancellable operating lease agreements. The lease terms are between 2 to 4 years, and the majority of the 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 2013 HK\$'000	31 December 2012 HK\$'000
Not later than 1 year	9,834	7,513
Later than 1 year and not later than 5 years	23,834	3,624
	33,668	11,137

Operating lease commitments — as lessor

The Group leased its premises to third parties under non-cancellable operating leases. The lease terms are between 2 to 6 years. The lease income recognised in the condensed consolidated statement of comprehensive income during the period was HK\$10,502,000 (2012: HK\$9,679,000).

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

	30 June 2013 HK\$'000	31 December 2012 HK\$'000
Not later than 1 year	18,374	18,298
Later than 1 year and not later than 5 years	8,795	17,194
Later than 5 years	409	1,128
	27,578	36,620



18 RELATED-PARTY TRANSACTIONS

At 30 June 2013, 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, a jointly controlled entity, after obtaining the regulatory approval for this disposal. Power Star Limited, a subsidiary of DISH-HD, was still classified as a related party up to 29 June 2012.

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 DISH-HD.

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

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000
CITICSat	126,474	97,153
Power Star Limited	—	4,298
Total (Note 6(b))	126,474	101,451



18 RELATED-PARTY TRANSACTIONS (Continued)

(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	
	2013 HK\$'000	2012 HK\$'000
Power Star Limited	—	2,547

(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	
	2013 HK\$'000	2012 HK\$'000
CITICSat	3,489	3,084

(d) Key management compensation

	Six months ended 30 June	
	2013 HK\$'000	2012 HK\$'000 (restated)
Salaries and other short-term employee benefits	19,401	17,342
Share-based payments	2,708	2,061
	<u>22,109</u>	<u>19,403</u>

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



18 RELATED-PARTY TRANSACTIONS (Continued)

(d) Key management compensation (Continued)

	Six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
A subsidiary of CITIC	236	250
A subsidiary of GE	261	275
	<u>497</u>	<u>525</u>

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

	30 June	31 December
	2013	2012
	HK\$'000	HK\$'000
Trade receivables from related parties (Note 9):		
CITICSat (Note)	<u>132,382</u>	<u>130,373</u>
Payables to related parties:		
CITICSat	<u>5,979</u>	<u>3,490</u>
Deferred revenue in relation to related parties:		
CITICSat	<u>118,690</u>	<u>79,091</u>

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 2013, a provision for impairment of HK\$2,319,000 (31 December 2012: HK\$2,319,000) was recorded and included within the provision as disclosed in Note 9.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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.

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20 EVENTS AFTER THE REPORTING PERIOD

No events have occurred subsequent to the balance sheet date and through the date of the condensed consolidated interim financial information that may require adjustment to or disclosure.

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 16 to 42, 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 2013 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.



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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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, 22 August 2013

SHAREHOLDER INFORMATION



2013 FINANCIAL CALENDAR

Interim results announcement	22 August 2013
Last day to register for 2013 interim dividend	30 September 2013
Book closure period	2 October–8 October 2013
Interim dividend payment	1 November 2013
Financial year end	31 December

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
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 2013: 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
Reuters

1135
1135.HK



SHAREHOLDER INFORMATION

INTERIM REPORT 2013

Copies of interim reports can be obtained by writing to:

Manager, Corporate Affairs
Asia Satellite Telecommunications Holdings Limited
12th Floor, Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

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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
Facsimile : (852) 2500 0895
Email : wpang@asiasat.com

INVESTOR RELATIONS CONTACT

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