MEDIA RELEASE

AsiaSat Reports 2015 Annual Results

Hong Kong, 16 March 2016 - Asia Satellite Telecommunications Holdings Limited ('AsiaSat' – SEHK: 1135), Asia's leading satellite operator, today announced its 2015 annual results for the year ended 31 December 2015.

A TRANSFORMATIVE YEAR IN 2015

Financial Highlights:

- 2015 revenue of HK$1,311 million, down 4% from the previous year primarily attributable to the non-renewals of contracts by several customers as a result of challenging conditions in the Asian markets and downward pressure on transponder pricing
- Combined new and renewed contracts during the year amounted to HK$1,310 million, compared to HK$932 million in 2014. Excluding the value from new contracts with a customer for the short-term use of AsiaSat 3S, the increase from new contracts was modest, reflecting the continued intense competition in the market
- 2015 profit attributable to equity holders of HK$440 million, compared to HK$559 million in 2014. The decline was due to lower revenue, increased interest expense and the lack of the finance income generated in the prior year
- Having regard to the significant dividend already paid in 2015, the Board does not recommend a final dividend for the year ended 31 December 2015. However, a total dividend of HK$12.07 per share was paid during the year, comprising the interim dividend of HK$0.18 per share and a special interim dividend of HK$11.89 per share

Operational Highlights:

- New shareholder - The Carlyle Group replaced General Electric Company as one of AsiaSat's major shareholders
- A comprehensive rebranding exercise commenced in March 2015 continuing with the momentum of improving and providing ever better services to customers
- Restructured the sales teams with the creation of a Global Accounts group and a new Sales Solutions team to enhance further our customer service

- Successfully regained access to the video market in China and a new customer was secured on AsiaSat 6 that will generate revenues from January 2016
- Maintained market leadership in satellite broadcasting through advancing Ultra HD (UHD) transmission via satellite in Asia with the launch of two free-to-air UHD channels, "4K-SAT" and "4K-SAT2", on AsiaSat 4
- AsiaSat's fleet of six in-orbit satellites continued to perform well during the year. Overall utilisation of AsiaSat 4, AsiaSat 5 and AsiaSat 7 stood at 72%
- Construction of AsiaSat 9, AsiaSat 4's replacement, remains on track for completion in late 2016 or early 2017. This new satellite will add additional Ku-band capacity at 122ºE to serve new opportunities in the Asia-Pacific market

AsiaSat's Chairman, JU Wei Min, said, "The year ahead will be a very challenging one for AsiaSat and the satellite industry as a whole. Competition in our markets will continue to intensify, particularly from some of the global operators seeking new business as their key markets mature. In the meantime, other regional operators are actively looking for opportunities to expand in Asian markets as well."

"Despite these challenges, new mobile applications such as broadband to automobiles, public transportation, maritime and aviation are growing. DTH services in the region continue to expand while broadcasters progress from Standard Definition (SD) to High Definition (HD) and UHD/4K. At the beginning of 2016, we began generating revenue from AsiaSat 6 for distributing video services in China. We also enjoy an excellent reputation in the industry for quality service and strong technical capabilities, highlighted by our growing expertise in UHD TV broadcasting," Mr. JU added.

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ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
Stock Code: 1135

Final Results for the Financial Year Ended 31 December 2015

Chairman's Statement

Introduction

AsiaSat had a transformative year in 2015, during which the Company prepared itself for the challenges and opportunities that lie ahead.

During the year, a subsidiary of The Carlyle Group ("Carlyle") acquired all the shares in the Company previously owned by General Electric Company ("GE"), one of our former major shareholders. The Company's capital structure was changed following the payment of a special dividend to all shareholders. Late in the year, we regained access to Chinese video market after an absence of nine years. Additionally, we undertook a major rebranding exercise and re-organised our sales teams to enhance further our proactive approach to customer service.

During the year, customers continued to trust us with providing excellent coverage of major news, sporting and political events across the region. These included the FA Cup, the Australian Open Tennis and the Southeast Asian Games in Singapore as well as the Asian African Conference in Indonesia and the 2015 APEC Economic Leaders' Meeting in the Philippines.

As we announced in November 2015 and anticipated in our 2014 annual and 2015 interim reports, the Company's financial results were affected in 2015 by a number of factors. During the year, we were faced with depreciation and interest expenses for our new AsiaSat 6 and AsiaSat 8 satellites, as well as the additional costs of financing the special dividend paid. As a result of delays in receiving required licences for new satellites to operate in certain key markets, these additional costs were not mitigated as the Company was unable to commence providing services to the expected new customers for our new satellites during the year.

Nevertheless, with the licence granted at the beginning of 2016, we secured a new customer to use AsiaSat 6 to provide video services in China. This new contract has begun to generate revenues for 2016. Additionally, with our first Ultra HD ("UHD") television channel launched on AsiaSat 4 in October 2015, we announced the launch of the second channel, which will help lay the groundwork for the future development of UHD in Asia and on AsiaSat 4.

Challenges for the Industry

In 2015, the environment for the satellite broadcasting industry was very competitive. Excess capacity in the region, slowing demand in some markets and increasing competition among global and regional operators exerted downward pressure on transponder pricing.

Some governments in developing countries continued the trend of launching satellites for their local markets, increasing supply and in some cases restricting market access for foreign satellite operators.

We also began to see changes in the industry as customers in established markets began to explore the use of terrestrial networks for certain content and data delivery.

All of these trends will continue to have an impact on our business and the industry at large in 2016.

FINANCIAL PERFORMANCE

Revenue

Revenue for 2015 was HK$1,311 million (2014: HK$1,365 million), representing a decrease of 4% from the previous year. The decline was primarily attributable to non-renewals of contracts by several customers due to challenging conditions in their markets and downward pressure on transponder pricing.

Operating Expenses

Operating expenses in 2015, excluding depreciation, totalled HK$253 million (2014: HK$260 million), representing a decrease of 3% compared with the previous year. The decrease was mainly the result of lower legal and professional fees, recovery of certain impaired debts and lower satellite operating expenses. Nevertheless, the increased exchange loss due to the revaluation of the RMB offset the savings mentioned above.

Finance Expenses

Finance expenses in 2015 were HK$77 million, an increase of HK$74 million, compared to HK$3 million in the previous year. The finance expenses represented the interest associated with the Ex-Im loan and the dividend loan. The increase was in line with the increased level of borrowing during the year and included the effect of a lower interest expense being capitalised in the cost of AsiaSat 6 and AsiaSat 8, when compared to 2014.

Depreciation

Depreciation in 2015 was HK$469 million (2014: HK$467 million), remaining stable compared to the previous year. Despite AsiaSat 3S being fully depreciated in April 2015, the savings resulting from this were largely offset by the commencement of depreciation for AsiaSat 6 and AsiaSat 8 in the second half of the year.

Profit

Profit attributable to equity holders for 2015 was HK$440 million (2014: HK$559 million), a decrease of HK$119 million, or 21%. The decrease was due to lower revenue, increased interest expense and the lack of finance income generated in the prior year.

Cash Flow

The Group generated a net cash outflow, including the movement in short-term deposits with maturities over three months, of HK$3,101 million in 2015 (2014: inflow of HK$1,849 million). As of 31 December 2015, the Group had cash and bank balances of HK$238 million (31 December 2014: HK$3,346 million). The cash inflow mainly comprised the net cash from operations of HK$875 million (2014: HK$1,012 million) and the proceeds from the bank borrowings of HK$1,896 million (2014: HK$2,173 million). The cash outflow mainly comprised the payment of dividends of HK$4,874 million (2014: HK$969 million) including a special interim dividend of HK$4,651 million (2014: Nil), payment of capital expenditures of HK$692 million (2014: HK$1,024 million) and the repayment of bank borrowings of HK$328 million (2014: Nil).

Dividends

Having regard to the significant dividend already paid in 2015, the Board does not recommend a final dividend (2014: a final dividend of HK$0.39 per share). For the year ended 31 December 2015, a total dividend of HK$12.07 per share (2014: HK$0.57 per share) was paid, comprising the interim dividend of HK$0.18 per share (2014: HK$0.18 per share) and the special interim dividend of HK$11.89 per share (2014: Nil).

Core Business Performance

New contracts won during the year amounted to a total value of HK$533 million (2014: HK$357 million). Contracts with a single customer for the short-term use of AsiaSat 3S accounted for a majority of the increase and, excluding this, the value of new contracts showed only a modest increase reflecting the continued intense competition in the market. Renewed contracts were HK$777 million (2014: HK$575 million). The Group negotiated with certain key customers and succeeded in renewing their contracts in advance. Combined new and renewed contracts amounted to HK$1,310 million (2014: HK$932 million).

SALES AND MARKETING

A new brand and renewed energy for AsiaSat

During the year, AsiaSat underwent a comprehensive rebranding exercise, the first such exercise since the Company's establishment in 1988. Following a thorough evaluation of our market position, communications, core values and mission, we rolled out our refreshed brand in the first quarter of 2015.

This new brand is the foundation for all marketing and promotions materials and activities. So far, the feedback we have received from internal and external stakeholders has been very positive with the new website winning a W3 Silver Award (Home page category), judged by the Academy of Interactive and Visual Arts. As the rebranding is an ongoing exercise, we will continue to adjust and upgrade to maintain the momentum of improving ourselves to provide ever better services to our customers.

Sales Solutions team

The rebranding exercise is more than just about the introduction of a new visual look for the Company but an entirely new way of anticipating and serving the needs of customers. To that end, we restructured our Sales team creating a Global Accounts group and a new Sales Solutions team. This restructuring better positions our sales team to focus on key international clients while playing an expanding role in supporting the requirements of customers.

SATELLITES

AsiaSat's fleet of six in-orbit satellites — now comprising AsiaSat 3S, AsiaSat 4, AsiaSat 5, AsiaSat 6, AsiaSat 7 and AsiaSat 8 — continued to perform well during the year.

AsiaSat 3S remains currently operational and is being leased to customers for short-term use before its retirement.

***AsiaSat* 4,** at the orbital location of 122 degrees East provides leading-edge satellite solutions to clients for connectivity and broadband services across the Asia-Pacific. During the year, this satellite also became the platform for our new UHD channels, “4K-SAT” and “4K-SAT2”, as well as for serving maritime, oil and gas, enterprise and media businesses of our telecom customers.

AsiaSat 5, in addition to being one of the key video distribution satellites in Asia, remained the occasional use (OU) platform of choice for international sporting events, such as the Australian Open Tennis, the Southeast Asian Games in Singapore, the ICC Cricket World Cup 2015 jointly hosted by Australia and New Zealand and the Chinese Football Association Super League. In 2016, we will be involved in the provision of broadcasting services in Asia for the Olympic Games in Rio de Janeiro.

***AsiaSat 6**,* launched on 7 September 2014, provides additional C-band capacity for exploiting new opportunities and serving existing growth markets. At the end of 2015, we received permission for AsiaSat 6 to carry out video services in China for Shanghai Interactive Television, Co., Ltd. (SiTV) via CITICSat. The permit was awarded on 1 January 2016 and the contract with SiTV has been generating revenue since. This is a significant progress for AsiaSat as it allows us to re-enter video market where we had no access since 2007.

AsiaSat 7, the premier satellite for video services in Asia serving many of the world’s top program providers, continued to deliver premium content across its Asia-wide footprint.

AsiaSat 8, launched on 5 August 2014, is collocated with AsiaSat 7 at 105.5 degrees East. This satellite provides incremental Ku-band capacity at that orbital slot and is designed to fill the demand for services such as DTH, in-flight internet connectivity, mobile broadband and maritime communications.

Since the beginning of 2015, we had expected to secure a key deal with a leading customer in the region that would have taken up nearly all of AsiaSat 8’s capacity. However, due to certain regulatory issues, it did not proceed as originally planned by all parties involved in the deal. We are now in the process of actively seeking new customers for this satellite.

AsiaSat 9 is on track to complete its construction by late 2016 or early 2017 to replace AsiaSat 4 at 122 degrees East, where it will serve existing customers as well as new clients with additional Ku-band capacity and service beams. A major construction milestone was reached during the year with the installation of the bi-propellant tanks in September. This satellite’s additional Ku-band transponders will open up new opportunities to serve markets in China and Australia as well as emerging markets such as Mongolia, Myanmar and Indonesia.

The total number of transponders leased or sold as of 31 December 2015 was 96, a slight decrease from 100 as of 31 December 2014. The overall utilisation rate for the year decreased to 72% as at 31 December 2015 (2014: 75%). The utilisation rate excludes AsiaSat 6 and AsiaSat 8, which, at the year-end, were not yet serving customers.

New Customers

For AsiaSat, 2015 was an encouraging year in terms of new customer acquisitions. Many of these new customers are leading broadcasters in the region, delivering news, entertainment and sports programming in a wide range of languages, VSAT service providers for land/sea/air communications, telecom companies and providers of in-flight entertainment and connectivity services for airlines.

We also continued to explore opportunities for providing DTH services, which continue to drive satellite market growth throughout the region.

MARKET REVIEW

Technology Leadership

As a pioneer in satellite broadcasting technology in Asia, we are among the leaders in advancing UHD in the region. We believe UHD is the future of television broadcasting as more and more consumers replace their existing TV sets with UHD models and program providers produce more content in UHD format.

To bring this technology forward, we formed a business partnership with Germany's Rohde & Schwarz (R&S), one of the leading suppliers of digital TV transmission systems in the world.

Working with R&S enabled us to launch the first true 10 bit color depth UHD channel in Asia, "4K-SAT" on AsiaSat 4 in October 2015. This new UHD channel is available free-to-air (FTA) across more than 50 countries and regions, broadcasting full produced UHD videos featuring fashion, lifestyle and documentaries.

The partnership with R&S not only gives us the ability to evaluate the UHD technology but also the hands-on expertise that customers are looking for when launching their own UHD channels.

In March 2016, we launched the second UHD channel "4K-SAT2" on AsiaSat 4, offering NASA TV as well as a broad range of enriched and compelling content to Asian TV operators and home viewers.

With the launch of these new UHD channels, we now have a showcase for demonstrating the quality of this technology and our expertise.

Industry Events

During the year, we continued to play an active role in the industry by participating in conferences, through exhibitions and speaking engagements. These included major international and regional events in the Middle East, India, Singapore, China, Myanmar and Turkey, as well as taking key roles in CommunicAsia — Asia's leading ICT event held in Singapore, Asia Pacific Satellite Communications Council (APSCC) conference, the Asia-Pacific Broadcasting Union (ABU) General Assembly and CASBAA's Satellite Industry Forum and Annual Convention.

As noted in last year's annual report, we also played an important role at the World Radiocommunication Conference (WRC-15) in Geneva during November. Meeting every four years, this Conference is where policies on the allocation of frequencies used for television, satellite, Wi-Fi, mobile, aviation, maritime and other communications are determined.

At WRC-15, we helped lead the initiative to oppose changes in the allocation of existing C-band satellite frequencies for new applications such as Broadband Wireless Access and Mobile Telecommunications. As a result of industry efforts, many vital satellite communications services will be protected from interference, which is especially important for developing or sparsely populated countries that rely on C-band satellite services for their economic development.

OUTLOOK FOR 2016

The year ahead will be a very challenging one for AsiaSat and the satellite industry as a whole. Competition in our markets will continue to intensify, particularly from some of the global operators seeking new business as their key markets mature. In the meantime, other regional operators are actively looking for opportunities to expand in Asian markets as well.

Despite these challenges, new mobile applications such as broadband to automobiles, public transportation, maritime and aviation are growing. DTH services in the region continue to expand while broadcasters progress from Standard Definition (SD) to High Definition (HD) and UHD/4K. At the beginning of 2016, we began generating revenue from AsiaSat 6 for distributing video services in China. We also enjoy an excellent reputation in the industry for quality service and strong technical capabilities, highlighted by our growing expertise in UHD TV broadcasting.

ACKNOWLEDGMENTS

As my predecessor mentioned in our 2015 interim report, this has been a transformative period for AsiaSat. Not only did we bring two new satellites into service, welcome new major shareholder and obtain approval to provide video services in China, we also refreshed our image and core values through the rebranding exercise and re-organised our sales teams. I would like to take this opportunity to thank our Board, management and staff for their hard work and support during this period.

I would also like to express my appreciation to our customers, partners, suppliers and shareholders for their confidence in us and continuous support for our business.

Lastly, I would like to thank my predecessor, Mr. Gregory M. Zeluck of Carlyle, who stepped in to complete Mr. Sherwood P. Dodge's tenure as Chairman, following the acquisition of GE's shareholding by Carlyle, according to a biannual rotation arrangement.

I am glad to serve AsiaSat as Chairman for the next two years and work closely with the management and Board to take the Company forward.

JU Wei Min
Chairman

Hong Kong, 16 March 2016

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December **2015** **HK$'000**	 2014 HK$'000
Revenue	2	**1,310,991**	1,364,958
Cost of services	4	**(578,226)**	(577,418)
Gross profit		**732,765**	787,540
Administrative expenses	4	**(143,329)**	(149,848)
Other gains - net	3	**19,256**	88,640
Operating profit		**608,692**	726,332
Finance expenses	5	**(76,695)**	(3,112)
Profit before income tax		**531,997**	723,220
Income tax expense	6	**(92,242)**	(164,200)
Profit and total comprehensive income for the year		**439,755**	559,020
Profit and total comprehensive income attributable to:			
Owners of the Company		**439,755**	559,139
Non-controlling interests		**-**	(119)
		439,755	559,020
Earnings per share attributable to the owners of the Company for the year			
(expressed in HK$ per share)	7		
Basic earnings per share		**1.12**	1.43
Diluted earnings per share		**1.12**	1.43

Consolidated Statement of Financial Position

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
ASSETS		
Non-current assets		
Leasehold land and land use rights	**18,368**	18,951
Property, plant and equipment	**6,889,238**	6,710,503
Unbilled receivables	**12,041**	7,668
Deposit	**2,616**	2,616
Total non-current assets	**6,922,263**	6,739,738
Current assets		
Trade and other receivables	**359,596**	460,515
Cash and bank balances	**237,579**	3,345,672
Total current assets	**597,175**	3,806,187
Total assets	**7,519,438**	10,545,925
EQUITY		
Equity attributable to owners of the Company		
Shares capital	**39,120**	39,120
Reserves		
- Retained earnings	**2,597,197**	7,036,123
- Other reserves	**37,191**	30,998
	2,673,508	7,106,241
Non-controlling interests	**782**	782
Total equity	**2,674,290**	7,107,023
LIABILITIES		
Non-current liabilities		
Bank borrowings	**3,252,379**	1,929,333
Deferred income tax liabilities	**426,884**	397,035
Deferred revenue	**80,314**	93,914
Other amounts received in advance	**1,377**	1,377
Total non-current liabilities	**3,760,954**	2,421,659
Current liabilities		
Bank borrowings	**495,740**	254,039
Construction payables	**51,397**	101,693
Other payables and accrued expenses	**103,928**	109,932
Deferred revenue	**162,343**	193,399
Current income tax liabilities	**270,786**	358,180
Total current liabilities	**1,084,194**	1,017,243
Total liabilities	**4,845,148**	3,438,902
Total equity and liabilities	**7,519,438**	10,545,925
Net (current liabilities)/current assets	**(487,019)**	2,788,944
Total assets less current liabilities	**6,435,244**	9,528,682

Notes:

1. Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (together, the "Group") have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

As at 31 December 2015, the Group's current liabilities exceeded its current assets by approximately HK$487,019,000 (2014: net current assets of HK$2,788,944,000). Included in the current liabilities were deferred revenue of HK$162,343,000 which represents non-refundable customer prepayments and will gradually reduce over the next twelve months through provision of transponder capacity services. The Group's net current liabilities less deferred revenue was HK$324,676,000. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of resources generated from its operations, together with the available banking facilities. Based on these forecasts and projections, the directors have a reasonable expectation that the Group will have adequate resources to continue its operations and to meet its financial obligations as and when they fall due in the next twelve months from the date of these consolidated financial statements. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning 1 January 2015:

HKFRSs (Amendments)	Improvements to HKFRSs 2012
HKFRSs (Amendments)	Improvements to HKFRSs 2013
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions

The adoption of these new and amended standards did not result in substantial changes to the accounting policies and consolidated financial statements of the Group in the current year.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) New standards and interpretations not yet adopted by the Group

The following standards and amendments to existing standards have been issued, but are not effective for the financial year beginning 1 January 2015 and have not been early adopted:

HKFRSs (Amendments)	Improvements to HKFRSs 2014[1]
HKAS 1 (Amendment)	Presentation of Financial Statements[1]
HKAS 16 and HKAS 38 (Amendment)	Classification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants[1]

1. Basis of preparation (Continued)

Changes in accounting policies and disclosures (Continued)

(c) New standards and interpretations not yet adopted by the Group (Continued)

HKAS 27 (Amendment)	Equity Method in Separate Financial Statements[1]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities[1]
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations[1]
HKFRS14	Regulatory Deferral Accounts[1]
HKFRS15	Revenue from Contracts with Customers[2]
HKFRS 9	Financial Instruments[2]

[1] *Effective for the Group for annual periods beginning on or after 1 January 2016*
[2] *Effective for the Group for annual periods beginning on or after 1 January 2018*
[3] *Effective date to be determined*

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application and is not yet in a position to state whether these new and amended standards will have any significant impact on the Group's result of operations and financial position.

2. Revenue and segment information

(a) Revenue:

The Group's revenue is analysed as follows:

	2015	2014
	HK$'000	HK$'000
Income from provision of satellite transponder capacity		
- recurring (Note)	**1,257,433**	1,297,323
- non-recurring	**-**	7,488
Sales of satellite transponder capacity	**13,585**	22,495
Other revenues	**39,973**	37,652
	1,310,991	1,364,958

Note:

For the year ended 31 December 2015, a total amount of HK$25,508,000 (2014: HK$55,018,000) was recorded as the additional revenue received or receivable from certain customers following the enactment of the Finance Act in India in 2012, which imposes tax on the Group for revenue that could be considered as Indian sourced subject to Indian Court's final decision.

2. Revenue and segment information (Continued)

(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 considers the business from a product perspective which is the operation, maintenance and provision of satellite telecommunication systems for broadcasting and telecommunication. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 and the information that regularly reviewed by the President and Chief Executive Officer for the purposes of allocating resources and assessing performance of the operating segment is the consolidated financial statements of the Group, no separate segmental analysis is presented.

Revenue reported in Note 2(a) above represented transactions with third parties and are reported to the President and Chief Executive Officer in a manner consistent with that in the consolidated statement of comprehensive income.

The Group is domiciled in Hong Kong. The revenue from customers in Hong Kong and Greater China for the year ended 31 December 2015 are HK$200,684,000 (2014: HK$211,008,000) and HK$289,482,000 (2014: HK$290,352,000) respectively, and the total revenue from customers in other countries is HK$820,825,000 (2014: HK$863,598,000). For the purpose of classification, the geographical source of revenue is determined based on the place of incorporation of the customers instead of the footprint of the satellites of the Group which may involve transmission to multiple geographical areas under a single satellite transponder capacity arrangement.

For the year ended 31 December 2015, revenue of approximately HK$125,827,000 (2014: HK$123,626,000) are derived from a single external customer for the provision of satellite telecommunication systems for broadcasting and telecommunication.

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 in the consolidated statement of financial position. All assets and liabilities are related to the only operating segment of the Group whose operation is domiciled in Hong Kong.

3. Other gains - net

	2015 **HK$'000**	2014 HK$'000
Interest income	**18,835**	39,879
Net gain on disposals of property, plant and equipment	**421**	325
Finance income on lease arrangement	**-**	48,436
	19,256	88,640

4. Operating profit

The Group's operating profit is arrived at after (crediting)/charging the following items:

	2015 HK$'000	2014 HK$'000
Salary and other benefits, including directors' remuneration	**123,027**	118,961
Share-based payment	**11,134**	11,178
Pension costs – defined contribution plans	**9,748**	8,999
Total staff costs	**143,909**	139,138
Auditor's remuneration		
- audit services	**1,675**	1,545
- non-audit services	**1,536**	995
(Write back)/provision for impairment of		
- trade receivables, net	**(1,317)**	(3,266)
- other receivables	**(4,403)**	4,403
Bad debts written off	**-**	1,182
Depreciation of property, plant and equipment	**469,135**	466,818
Employee benefit expense	**143,909**	139,138
Operating leases		
- Office premises	**8,852**	9,098
- Leasehold land and land use rights	**583**	583
Net exchange loss	**21,166**	8,494
Marketing and promotions expense	**5,167**	6,863
Satellite operations	**7,109**	10,099

5. Finance expenses

	2015 HK$'000	2014 HK$'000
Interest expenses incurred on bank borrowings	**102,812**	49,667
Less: Interest capitalised on qualifying assets	**(26,117)**	(46,555)
Total	**76,695**	3,112

The interest rate applied in determining the amount of interest capitalised in 2015 was 3.52% (2014: 3.51%).

6. 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% (2014: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation, that range from 7% to 43.26% (2014: 7% to 43.26%), prevailing in the countries in which the profit is earned.

	2015	2014
	HK$'000	HK$'000
Current income tax		
- Hong Kong profits tax	**15,646**	48,975
- Overseas taxation (Note (b))	**46,747**	86,161
- Adjustments in respect of prior years (Note (a))	**-**	21,336
Total current tax	**62,393**	156,472
Deferred income tax	**29,849**	7,728
Income tax expense	**92,242**	164,200

Note:

(a) During the year ended 31 December 2014, the Group received assessment notices from a tax authority to disallow the deductibility of certain items in respect of previous assessment years and additional tax provision was made accordingly. During the year ended 31 December 2015, the Group has lodged an objection to such assessment notices and has yet to receive a revised notice from the tax authority. In view of the latest development of the case, the Group considered that it is appropriate to maintain the additional provision made with respect of the potential disallowed items for tax deduction for prior years and also for the current year.

(b) 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 of the dispute 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 therefore the exact tax consequences are still uncertain.

Income tax expense (Continued)

Note(b) (Continued)

Based on the latest advice received by the Group from the Group's advisers in India, the Group has recorded a provision of HK$28 million for the year ended 31 December 2015 (2014: HK$65 million) 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 tax on the Group's profit before income tax differs from the theoretical amount that would arise using the profits tax rate of Hong Kong where the Group principally operates, as follows:

	2015	2014
	HK$'000	HK$'000
Profit before income tax	**531,997**	723,220
Tax calculated at tax rate of 16.5% (2014: 16.5%)	**87,779**	119,331
Tax effect of income not subject to income tax	**(108,051)**	(120,131)
Tax effect of expenses not deductible for tax purposes	**65,767**	57,503
Income tax in respect of overseas profits	**46,747**	86,161
Adjustment in respect of prior years	**-**	21,336
Tax charge	**92,242**	164,200

The effective tax rate of the Group was 17.3% (2014: 22.7%).

The higher effective tax rate for the year ended 31 December 2014 was mainly attributable to the additional provision made in respect of prior years as a result of a dispute with a tax authority.

7. 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 year.

	2015	2014
	HK$'000	HK$'000
Profit attributable to owners of the Company	**439,755**	559,139

	2015	2014
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**390,978**	390,877
Basic earnings per share (HK$)	**1.12**	1.43

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held under the Share Award Scheme.

7. Earnings per share (Continued)

Diluted

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

	2015 **HK$'000**	2014 HK$'000
Profit attributable to owners of the Company	**439,755**	559,139

	2015	2014
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**390,978**	390,877
Effect of Award Shares (in thousands)	**894**	584
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	**391,872**	391,461
Diluted earnings per share (HK$)	**1.12**	1.43

8. Dividends

The dividends paid in 2015 and 2014 were HK$4,873,859,000 (HK$12.46 per share) and HK$968,777,000 (HK$2.48 per share) respectively. The Board does not recommend a final dividend (2014: a final dividend of HK$0.39 per share).

	2015 **HK$'000**	2014 HK$'000
Interim dividend paid of HK$0.18 (2014: HK$0.18) per ordinary share	**70,415**	70,415
Special interim dividend paid of HK$11.89 (2014: Nil) per ordinary share	**4,651,314**	-
Proposed final dividend of HK$ Nil (2014: HK$0.39) per ordinary share	**-**	152,566
	4,721,729	222,981

A detailed results announcement is available at AsiaSat's website (www.asiasat.com).

Notes to Editor

Asia Satellite Telecommunications Company Limited (AsiaSat), the leading satellite operator in Asia, serves over two-thirds of the world's population with its six satellites, AsiaSat 3S, AsiaSat 4, AsiaSat 5, AsiaSat 6, AsiaSat 7 and AsiaSat 8. The AsiaSat satellite fleet serves both the broadcast and telecommunications industries. 700 television and radio channels are now delivered by the company's satellites offering access to over 830 million TV households across the Asia-Pacific region. AsiaSat also provides VSAT networks throughout the region. AsiaSat's next satellite, AsiaSat 9 on order from the manufacturer is planned to be launched in late 2016 or early 2017. AsiaSat is a wholly-owned subsidiary of Asia Satellite Telecommunications Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 1135). For more information, please visit www.asiasat.com