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ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED

亞洲衛星控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1135)

ANNOUNCEMENT

INSIDE INFORMATION

ASIASAT 8 TRANSPONDER SERVICE AGREEMENT

This announcement is made by Asia Satellite Telecommunications Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 1 December 2016, Asia Satellite Telecommunications Company Limited (“**AsiaSat**”), a wholly-owned subsidiary of the Company has entered into a transponder service agreement (the “**Service Agreement**”) with Space-Communication Ltd. (“**Spacecom**”) in respect of the use of AsiaSat’s in-orbit satellite, AsiaSat 8. In consideration of the payment by Spacecom of US\$22 million per annum, AsiaSat has agreed, among other things, to relocate AsiaSat 8 to an orbital slot as agreed with Spacecom and to grant Spacecom the exclusive right to use all Ku-band transponders on AsiaSat 8 for providing commercial satellite communications services on the terms under the Service Agreement. The Service Agreement has a service term of four years, which shall commence after the obtaining of necessary regulatory approvals and the successful relocation and subsequent testing of AsiaSat 8, with an option exercisable by Spacecom to extend the four-year term by a twelve-month period. The Directors expect the service term will commence in the first quarter of 2017.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Spacecom and its ultimate beneficial owners are independent third parties of and are not connected with the Company and its connected persons. Based on the fees contracted under the Service Agreement and the Company’s internal business projection, the Company expects that Spacecom will become one of the top customers of the Group in terms of revenue contribution when the service term of the Service Agreement commences.

The Board believes that the Service Agreement will generate stable cash flow and income to the Company and considers that the transaction contemplated under the Service Agreement is in the ordinary and usual course of business of the Group and the terms of the Service Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

By order of the Board of
**Asia Satellite Telecommunications
Holdings Limited**
Sue YEUNG
Company Secretary

Hong Kong, 1 December 2016

As at the date of this announcement, the Board comprises 11 directors. The Executive Director is Mr. Andrew G. JORDAN. The Non-executive Directors are Mr. JU Wei Min (Chairman), Mr. Gregory M. ZELUCK (Deputy Chairman), Mr. LUO Ning, Mr. Peter JACKSON, Mr. Julius M. GENACHOWSKI and Mr. Alex S. YING. The Independent Non-executive Directors are Mr. James WATKINS, Mr. Stephen LEE Hoi Yin, Mr. Kenneth McKELVIE and Ms. Maura WONG Hung Hung. The Alternate Director is Mr. CHONG Chi Yeung (alternate to Mr. LUO Ning).

** For identification purpose only*