



**ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED
ANNOUNCEMENT OF ANNUAL RESULTS**

FOR THE YEAR TO 31 DECEMBER 2009

HONG KONG, 26 March 2010 -- Asia Satellite Telecommunications Holdings Limited ('AsiaSat' - SEHK: 1135), Asia's leading satellite operator, today announces its 2009 annual results for the year to 31 December 2009.

EMERGING OPPORTUNITIES IN AN IMPROVING MARKET

Financial Summary:

			Excluding One-Time Receipts	
	HK\$	YoY*	HK\$	YoY*
• Turnover	1,162,918,000	+13%	1,151,790,000	+12%
• Profit attributable to equity holders	525,215,000	+8%	514,087,000	+7%
• Earnings per share	1.35	+9%	1.32	+7%
• Proposed Final Dividend per share	0.32	+3%		
• Debt free				

* Year-on-year comparison

Operational Highlights:

- AsiaSat 5 successfully launched and commenced full service
- AsiaSat 7 under construction, scheduled for launch in late 2011
- High-definition direct-to-home TV joint venture "DISH-HD Asia Satellite" in soft launch
- Transponders leased and sold up 12%
- Overall utilisation rate increased to 65%

AsiaSat's Chairman, Sherwood P. Dodge, said, "The fundamental growth drivers of our industry remain in place and AsiaSat is uniquely positioned to benefit from this growth. We have delivered consistent top line growth throughout the crisis and downturn, expanding our business while the effects of the economy limited the progress of many of our rivals. The launch of AsiaSat 5, with its additional transponder capacity, has upgraded our overall service offering."

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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 2009

Chairman's Statement

EMERGING OPPORTUNITIES IN AN IMPROVING MARKET

I am pleased to report that, in 2009, Asia Satellite Telecommunications Company Limited ("AsiaSat") achieved strong core performance and we are well positioned for growth in the coming years. While economic uncertainty persists in the region, there are encouraging signs that the Asian satellite industry will not be seriously affected. As a market leader offering premium services, we stand in good stead to benefit from improving market conditions and growing demand for new services such as High Definition Television (HDTV).

We are particularly pleased with the successful launch of AsiaSat 5, AsiaSat 2's replacement last August. AsiaSat 5 not only extends our services at 100.5°E but also expands our fleet's capacity and leads us into new markets. It embodies our commitment to maintaining AsiaSat's position as Asia's premier satellite operator, providing high quality service to our customers.

Our overall performance in 2009 was better than the strong performance of 2008, despite a challenging economic environment. We were able to secure a number of significant renewals and new contracts which produced a profit growth rate of 8%, despite the negative effects of a further decline in interest income and losses of a jointly controlled entity. We expect these positive trends to continue throughout 2010.

As announced in our Interim Report, our leading position in the Asian satellite industry was recognised during the year by industry organisations and our peers through a series of industry awards. In March 2009, AsiaSat was awarded "Best Asian Satellite Carrier" at the 2009 Telecom Asia Awards. Also in the same month, AsiaSat's Chief Executive Officer Peter Jackson was inducted into the Society of Satellite Professionals International's Hall of Fame, in recognition of his three decades of work and executive leadership in the telecommunications and satellite industry, half of which has been spent at AsiaSat. In June the same year, AsiaSat was recognised as "Satellite Service Provider of the Year in the Asia Pacific" at the Frost & Sullivan Asia Pacific ICT Awards, the first time a satellite operator has received this award twice.

Our core business is strong, the fundamentals of our industry remain robust, and as a market leader we are in an excellent position to thrive as a resurgent Asian economy creates new and exciting business opportunities.

FINANCIAL RESULTS

Turnover

Turnover for 2009 was HK\$1,163 million (2008 : HK\$1,032 million), an increase of HK\$131 million, 13% over the previous year. This was driven primarily by growth in our core business amounting to approximately HK\$76 million. Our wholly-owned subsidiary, SpeedCast Holdings Limited ("SpeedCast") also contributed to the growth in revenue of around HK\$52 million in 2009 due to strong demand from its customers.

Profit

The profit attributable to equity holders during 2009 was HK\$525 million (2008 : HK\$485 million), an increase of 8%. The increase mainly resulted from our strong revenue performance and a reduction in depreciation expenses of HK\$39 million as AsiaSat 2 was fully depreciated in early 2009. However, the profit growth was partially offset by a reduction in interest income of approximately HK\$48 million owing to the continued decrease in bank interest rates on deposits.

Operating Expenses

Operating expenses, excluding depreciation and amortisation, in 2009 amounted to HK\$324 million (2008 : HK\$275 million). The increase was primarily due to an increase in legal and professional fees of HK\$27 million for pursuing various new business opportunities and handling Indian tax matters and an increase in various expenses including satellite operation expenses of HK\$9 million, China business tax of HK\$10 million, staff costs of HK\$17 million. Impairment charges on certain assets of a subsidiary of HK\$6 million contributed the remaining increase in operating expenses. This increase was partially mitigated by a reduction of HK\$25 million in the net impairment trade receivable provision as compared to 2008.

Depreciation

Depreciation in 2009 was HK\$265 million (2008 : HK\$304 million). The drop in depreciation was because AsiaSat 2 was fully depreciated by early 2009 while the depreciation for AsiaSat 5, which is the replacement of AsiaSat 2, only started from October 2009.

Cash Flows

During 2009, the Group had a net cash outflow of HK\$962 million (2008 : inflow of HK\$157 million) after capital expenditures of HK\$1,364 million (2008 : HK\$366 million) and dividends of HK\$152 million (2008 : HK\$152 million). As at 31 December 2009, the Group reported a cash and cash equivalents balance of HK\$1,484 million (2008 : HK\$2,445 million). The Group continues to be debt free.

Dividend

At the forthcoming Annual General Meeting ("AGM") to be held on 25 May 2010, directors of the Company ("Directors") will recommend a final dividend of HK\$0.32 per share (2008 : HK\$0.31 per share). This, together with the interim dividend of HK\$0.08 per share (2008 : HK\$0.08 per share), gives a total dividend of HK\$0.40 per share in 2009 (2008 : HK\$0.39 per share). The register of members of the Company will be closed from Tuesday, 18 May 2010 to Tuesday, 25 May 2010 (both days inclusive), during which period no transfer of shares in the Company will be effected.

BUSINESS REVIEW

New satellites

AsiaSat 5

Our new satellite, AsiaSat 5, was launched successfully from the Baikonur Cosmodrome in Kazakhstan, on 12 August 2009 and commenced full service in October 2009, replacing AsiaSat 2 at the orbital location of 100.5°E. AsiaSat 5, a more powerful satellite than AsiaSat 2, is now serving many public and private broadcasters from around the world, a number of wholesale news agencies, video service providers, teleport service providers for video and news distribution and contribution services, as well as governments and VSAT services providers.

AsiaSat 7 (formerly AsiaSat 5C)

AsiaSat 5C, which was originally intended to backup AsiaSat 5, has had a name change and is now under construction as AsiaSat 7. Space Systems/Loral is building the new satellite on the SS/L 1300 series satellite platform with performance similar to that of AsiaSat 5. It is designed for the provision of fixed satellite services for television broadcast, telephone networks, and VSAT networks for broadband multimedia services across the Asia Pacific Region. It is scheduled for launch in late 2011, and depending on future market conditions, it will either replace AsiaSat 3S at the orbital location of 105.5°E or be positioned at another orbital slot to take on expanded business.

In-orbit satellites

During 2009, AsiaSat's in-orbit satellites performed well and continued to deliver excellent service to our customers. With the launch of AsiaSat 5, we signed a new lease agreement for AsiaSat 2 and transferred it to a new orbital slot as described below. In addition to AsiaSat 2, the Group's fleet now comprises AsiaSat 3S, AsiaSat 4, and AsiaSat 5, which are located in geo-stationary orbital positions over Asia providing our customers with unparalleled coverage across two-thirds of the world's population.

AsiaSat 2 was launched in November 1995 and was positioned at 100.5°E. This satellite carries a payload of 24 C-band and 9 Ku-band transponders. Following its replacement in October 2009 by AsiaSat 5, AsiaSat signed a contract with Spacecom, the operator of the AMOS satellite fleet, for the exclusive use of AsiaSat 2. AsiaSat 2 is renamed AMOS-5i and repositioned to 17°E, where it now serves the African continent.

AsiaSat 3S was launched in March 1999 and is positioned at 105.5°E. This satellite carries 28 C-band and 16 Ku-band transponders and its overall utilisation rate as at 31 December 2009 was 71% (2008 : 69%).

AsiaSat 4 was launched in April 2003 and is positioned at 122°E. This satellite carries 28 C-band and 20 Ku-band transponders including four Hong Kong BSS (broadcast satellite service) transponders. Its overall utilisation rate as at 31 December 2009 was 68% (2008 : 58%).

AsiaSat 5 was launched in August 2009 and is positioned at 100.5°E. It commenced full service in October 2009. This satellite carries 26 C-band and 14 Ku-band transponders and its overall utilisation rate as at 31 December 2009 was 54%.

The total number of transponders on the Company's satellites leased and sold (excluding AMOS-5i) as at 31 December 2009 was 85 (31 December 2008 : 76) with an overall utilisation rate of 65% (2008 : 60%). This figure includes the four BSS transponders provided for our Direct-to-Home (DTH) service and three transponders allocated for occasional use and Satellite News Gathering (SNG) services.

DISH-HD Asia Satellite

In June 2009, AsiaSat formed a joint venture with EchoStar Corporation, a leading provider of end-to-end satellite pay TV delivery systems and a designer and manufacturer of equipment for satellite, IPTV, cable, terrestrial and the consumer electronics markets. The joint venture is to deliver high definition DTH satellite television services to Taiwan and other targeted regions in Asia, starting service in late 2009. The business of our DTH-focused subsidiary, Skywave TV Limited, which is 80% held by the Company, has been incorporated into our joint venture, DISH-HD Asia Satellite Limited ("DISH AsiaSat"). The DTH services are currently in soft launch, with formal launch scheduled in the first half of 2010. As DISH AsiaSat is still in the early stage of operation, it has incurred a loss of HK\$24 million during the year.

Transponder master agreement with CITIC Group

As mentioned in the 2008 Annual Report, a transponder master agreement between AsiaSat, CITIC Networks Co., Ltd. ("CITIC Networks", a wholly-owned subsidiary of CITIC Group), and CITIC Networks Co., Ltd Beijing Satellite Telecommunications Branch ("CITICSat", the branch established and run by CITIC Networks) was approved by the independent shareholders in January 2009. The agreement granted AsiaSat the right to provide transponder capacity to the customers of CITICSat and CITIC Networks.

The revenue from CITICSat contributed HK\$54 million to the Group's turnover for the year.

SpeedCast

SpeedCast provides two-way satellite services including broadband access services to customers across Asia and beyond.

SpeedCast's turnover for the year ended 31 December 2009 was HK\$170 million (2008 : HK\$118 million). The company recorded a net profit of HK\$14 million for the year (2008 : HK\$0.7 million). This was mainly attributable to the growth in revenue from the two-way broadband access business.

COMPLIANCE

In 2009, we successfully deregistered from the U.S. Securities and Exchange Commission (SEC). Going forward, we will continue to maintain the same rigorous standards of corporate governance.

OUTLOOK

In 2009, AsiaSat enjoyed increased transponder utilisation rates, an increase in backlog and a promising flow of significant new contracts and renewals.

In our last Annual Report, we made reference to the economic uncertainty that would face the satellite industry in 2009. The global economic downturn that arose because of the financial crisis did not have a serious impact on our market or our business last year. The fundamental growth drivers of our industry remain in place, and we believe that the Asian satellite industry will continue to have opportunities for growth.

Industry growth will be driven in the long-term by two key factors: the technological advantages that satellites hold over terrestrial systems as a platform for the broadcast industry and increased competition across multiple platforms within Asia's television, internet and mobile telecommunications markets. In the short to medium-term, there is clear growth potential in HDTV technology, Internet Protocol Television (IPTV), video-to-mobile and DTH services, as well as in mobile and internet connectivity in rural and remote areas.

AsiaSat is uniquely positioned to benefit from this growth. Economic uncertainty often favours market leaders with strong and trusted reputations. We have delivered consistent top line growth throughout the crisis and downturn, expanding our business while the effects of the economy limited the progress of many of our rivals. The launch of AsiaSat 5, with its additional transponder capacity, has upgraded our overall service offering.

DIRECTORS AND SENIOR MANAGEMENT

I would like to welcome Mr. LUO Ning who joined the Board on 22 January 2010. I would also like to express my sincere thanks to Mr. DING Yu Cheng for his past years' service in the Board.

Mr. Peter JACKSON will retire from his current position as a Chief Executive Officer on 31 July 2010 and then be appointed as Executive Chairman on 1 August 2010 and will stay in his current role as Executive Director of the Company until 31 July 2011. Mr. Jackson will maintain his strategic involvement in steering the Company's success. Mr. William WADE, currently the Deputy Chief Executive Officer, will be appointed as the Chief Executive Officer in place of Mr. Jackson. I would like to express my sincere gratitude on behalf of the Board of Directors to Mr. Jackson for his many years of exceptional service. AsiaSat's strong reputation in the industry and its bright future are a credit to his leadership and his vision. We look forward to his continued contributions as AsiaSat's Executive Chairman.

I would also like to take this opportunity to express our sincere appreciation of the support from our customers, suppliers and shareholders. I would also like to thank my fellow directors for their valuable contribution and the staff members of the Group for their commitment and dedicated service throughout the year.

Sherwood P. Dodge
Chairman

Hong Kong, 26 March 2010

Consolidated statement of comprehensive income

	Note	Year ended 31 December	
		2009 HK\$'000	2008 HK\$'000
Sales	2	1,162,918	1,031,697
Cost of services		(403,907)	(420,919)
Gross profit		759,011	610,778
Administrative expenses		(184,652)	(158,173)
Other gains – net		20,575	68,076
Operating profit	3	594,934	520,681
Finance costs		(109)	(114)
Share of losses of a jointly controlled entity		(12,242)	-
Profit before income tax		582,583	520,567
Income tax expense	4	(59,202)	(36,609)
Profit and total comprehensive income for the year		523,381	483,958
Profit and total comprehensive income attributable to:			
Equity holders of the Company		525,215	484,887
Minority interests		(1,834)	(929)
		523,381	483,958
Earnings per share attributable to the equity holders of the Company during the year (expressed in HK\$ per share)			
- Basic earnings per share	5	1.35	1.24
- Diluted earnings per share	5	1.34	1.24
Dividends	6	156,478	152,566

Note 1 to Note 6 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

	As at 31 December		
	Note	2009 HK\$'000	2008 HK\$'000
ASSETS			
Non-current assets			
Leasehold land and land use rights		21,866	22,449
Property, plant and equipment		3,823,914	2,681,287
Intangible assets		38,675	39,921
Unbilled receivable		137,553	146,694
Interest in a jointly controlled entity		132,058	-
Amount paid to tax authority		204,810	204,810
Total non-current assets		4,358,876	3,095,161
Current assets			
Tax recoverable		32,363	-
Inventories		3,741	2,767
Trade and other receivables		410,925	234,614
Cash and cash equivalents		1,483,712	2,445,471
Total current assets		1,930,741	2,682,852
Total assets		6,289,617	5,778,013
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares		39,120	39,120
Other reserves		7,553	12,481
Retained earnings			
- Proposed final dividend		125,183	121,271
- Others		5,324,696	4,955,659
		5,496,552	5,128,531
Minority interests		1,378	3,212
Total equity		5,497,930	5,131,743
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		220,537	172,631
Deferred revenue		122,504	102,179
Obligations under finance leases		7	17
Other payables		2,006	1,910
Total non-current liabilities		345,054	276,737
Current liabilities			
Construction payables		58,162	9,634
Other payables and accrued expenses		158,003	119,452
Deferred revenue		152,172	149,601
Obligations under finance leases		10	87
Current income tax liabilities		78,165	90,638
Dividend payable		121	121
Total current liabilities		446,633	369,533
Total liabilities		791,687	646,270
Total equity and liabilities		6,289,617	5,778,013
Net current assets		1,484,108	2,313,319
Total assets less current liabilities		5,842,984	5,408,480

Note 1 to Note 6 form an integral part of these consolidated financial statements.

Notes :

1. Basis of preparation

The consolidated financial statements of 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.

Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The Group has adopted the following new and amended HKFRS, which are relevant to the Group, as of 1 January 2009:

- HKFRS 7 (amendment), ‘Financial Instruments – Disclosures’ – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.
- HKAS 1 (revised), ‘Presentation of financial statements’ – effective 1 January 2009. The revised standard prohibits the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity in a statement of comprehensive income. The Group has no non-owner changes in equity for the current or prior year. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.
- HKFRS 8, ‘Operating segments’ – effective 1 January 2009. HKFRS 8 replaces HKAS 14, ‘Segment reporting’, and aligns segment reporting with the requirements of the US standard SFAS 131, ‘Disclosures about segments of an enterprise and related information’. The new standard requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes. The Group reports operating segments in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker of the Group has been identified as the Chief Executive Officer who makes the strategic decisions.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards and amendments to existing standards have been published and are effective for periods commencing after 1 January 2009, but the Group has not early adopted them:

HKFRS (Amendments)	Improvements to HKFRS
HKAS 24 (Revised) ²	Related Party Disclosures
HKAS 27 (Revised) ¹	Consolidated and Separate Financial Statements
HKAS 32 (Amendment) ¹	Classification of Rights Issue
HKAS 39 (Amendment) ¹	Eligible Hedge Items
HKFRS 2 (Amendment) ¹	Group Cash-settled Share-based Payments Transactions
HKFRS 3 (Amendment) ¹	Business Combinations
HKFRS 9 (Amendment) ³	Financial Instruments
HK(IFRIC) 14 (Amendment) ²	Prepayments of a Minimum Funding Requirement
HK(IFRIC) 17 (Amendment) ¹	Distributions of Non-cash Assets to Owners
HK(IFRIC) 19 (Amendment) ²	Extinguishing Financial Liabilities with Equity Instruments

¹ Effective for the Group for annual periods beginning on or after 1 January 2010

² Effective for the Group for annual periods beginning on or after 1 January 2011

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

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.

2. Sales and segment information

a) Sales:

The Group's sales are analysed as follows:

	2009	2008
	HK\$'000	HK\$'000
Income from provision of satellite transponder capacity		
- recurring	956,450	878,031
- non-recurring	11,128	4,935
Sales of satellite transponder capacity	16,411	24,491
Income from provision of broadband access service and sale of equipment	169,967	118,494
Other revenue	8,962	5,746
	<u>1,162,918</u>	<u>1,031,697</u>

b) Segment information:

The chief operating decision-maker has been identified as the Chief Executive Officer of the Group. The 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 Chief Executive Officer, who considers the business from a product perspective. In other words, management assesses the performance based on a measure of profit after taxation of the following businesses:

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

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

The amounts provided to the 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.

2. Sales and segment information (continued)

b) Segment information (continued)

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

	2009				
	Provision of satellite telecommunication systems for broadcasting and telecommunication HK\$'000	Broadband access services HK\$'000	Direct-to-Home satellite television service HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Sales to external customers	921,226	169,967	-	-	1,091,193
Sales to related parties	62,763	-	-	-	62,763
Inter-segment sales	72,024	269	-	(72,293)	-
Other revenue	11,720	-	-	(2,758)	8,962
Total	1,067,733	170,236	-	(75,051)	1,162,918
Operating profit	580,878	14,056	-	-	594,934
Finance costs	(87)	(22)	-	-	(109)
Share of losses of a jointly controlled entity	-	-	(12,242)	-	(12,242)
Profit before income tax	580,791	14,034	(12,242)	-	582,583
Income tax expense	(59,202)	-	-	-	(59,202)
Profit for the year	521,589	14,034	(12,242)	-	523,381
Depreciation and amortisation	255,479	9,292	-	-	264,771
Interest income	18,445	7	-	-	18,452
Total assets	6,105,091	65,412	132,058	(12,944)	6,289,617
Capital expenditure	1,397,255	14,194	-	-	1,411,449
Interest in a jointly controlled entity	-	-	132,058	-	132,058
Total liabilities	768,439	36,192	-	(12,944)	791,687

2. Sales and segment information (continued)

b) Segment information (continued)

	2008			
	Provision of satellite telecommunication systems for broadcasting and telecommunication HK\$'000	Broadband access services HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Sales to external customers	906,207	118,494	-	1,024,701
Sales to a related party	1,250	-	-	1,250
Inter-segment sales	43,855	-	(43,855)	-
Other revenue	6,771	-	(1,025)	5,746
Total	958,083	118,494	(44,880)	1,031,697
Operating profit	519,896	785	-	520,681
Finance costs	(64)	(50)	-	(114)
Profit before income tax	519,832	735	-	520,567
Income tax expense	(36,609)	-	-	(36,609)
Profit for the year	483,223	735	-	483,958
Depreciation and amortisation	297,186	7,244	-	304,430
Interest income	66,171	107	-	66,278
Total assets	5,744,183	45,713	(11,883)	5,778,013
Capital expenditure	298,599	9,092	-	307,691
Total liabilities	615,744	42,409	(11,883)	646,270

The Group is domiciled in Hong Kong. The sales from customers in Hong Kong and Greater China for the year ended 31 December 2009 are HK\$261,784,000 (2008 : HK\$257,994,000) and HK\$148,680,000 (2008 : HK\$143,276,000) respectively, and the total sales from customers in other countries is HK\$752,454,000 (2008 : HK\$630,427,000).

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

For the year ended 31 December 2009, sales of approximately HK\$192,121,000 (2008 : HK\$194,211,000) are derived from a single external customer. These sales are attributable to the provision of satellite telecommunication systems for broadcasting and telecommunication.

3. Operating profit

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

	2009 HK\$'000	2008 HK\$'000
Interest income	18,452	66,278
Net gain on disposals of property, plant and equipment	200	123
Other gains – net	1,923	1,675
	<u>20,575</u>	<u>68,076</u>
Salary and other benefits, including directors' remuneration	122,970	107,356
Share-based payment	5,141	3,818
Pension costs – defined contribution plans	6,103	5,623
Total staff costs	<u>134,214</u>	<u>116,797</u>
Auditors' remuneration	1,300	1,300
Bad debts written off	269	608
Provision/(Write back) for impairment		
- Intangible assets – Licences	1,166	-
- Property, plant and equipment	2,781	-
- Trade receivables	(3,122)	21,516
- Other receivables	1,940	-
- Inventories	147	-
Depreciation and amortisation		
- Intangible assets – Licences	80	161
- Property, plant and equipment	264,691	304,269
Operating leases		
- premises	9,391	7,399
- leasehold land and land use rights	583	583
Net exchange loss/(gain)	<u>2,433</u>	<u>(2,311)</u>

4. 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% (2008 : 16.5%) on the estimated assessable profit for the year.

Overseas tax, including the Foreign Enterprises Income Tax in the People's Republic of China, is calculated at 7% to 20% of the gross revenue earned in certain overseas jurisdictions.

The Group currently has a tax case in dispute with the Indian tax authorities. Details of this are set out in Note 8.

	2009 HK\$'000	2008 HK\$'000
Current income tax		
- Hong Kong profits tax	382	43,649
- Refund of Hong Kong profits tax	(1,965)	-
- Overseas taxation	12,879	9,377
Total current tax	<u>11,296</u>	<u>53,026</u>
Deferred income tax		
- Current year	47,906	(5,614)
- Impact of change in Hong Kong profits tax rate	-	(10,803)
Total deferred tax	<u>47,906</u>	<u>(16,417)</u>
Income tax expense	<u>59,202</u>	<u>36,609</u>

4. Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2009 HK\$'000	2008 HK\$'000
Profit before income tax	582,583	520,567
Tax calculated at tax rate of 16.5% (2008 : 16.5%)	96,126	85,894
Tax effect of income not subject to income tax	(90,552)	(89,829)
Tax effect of expenses not deductible for tax purposes	42,978	42,109
Tax effect on unrecognised timing differences by a subsidiary	(852)	(440)
Tax effect of tax losses of a jointly controlled entity not recognised	2,020	-
Effect of income tax rate differential between Hong Kong and overseas locations	12,879	9,377
Tax losses for which no deferred income tax asset was recognised	-	301
Utilisation of previously unrecognised tax losses by a subsidiary	(1,432)	-
Remeasurement of deferred tax – change in Hong Kong profits tax rate	-	(10,803)
Refund of Hong Kong profits tax	(1,965)	-
Tax expense	59,202	36,609

The effective tax rate of the Group was 10.2% (2008 : 7.0%).

5. Earnings per share

Basic

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

	2009 HK\$'000	2008 HK\$'000
Profit attributable to equity holders of the Company	525,215	484,887
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,303	390,722
Basic earnings per share (HK\$ per share)	1.35	1.24

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

Diluted

Diluted earnings per share is calculated 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 dilutive effect. The calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of outstanding restricted shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the restricted shares being fully vested.

5. Earnings per share (continued)

	2009 HK\$'000	2008 HK\$'000
Profit used to determine diluted earnings per share	525,215	484,887
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	390,303	390,722
Effect of Award Shares (in thousands)	925	358
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	391,228	391,080
Diluted earnings per share (HK\$ per share)	1.34	1.24

6. Dividends

The dividends paid in 2009 and 2008 were HK\$152,266,000 (HK\$0.39 per share) and HK\$152,415,000 (HK\$0.39 per share) respectively. The directors recommend the payment of a final dividend of HK\$0.32 per share, totaling HK\$125,183,000. Such dividend is to be approved by the shareholders at the Annual General Meeting on 25 May 2010. These financial statements do not reflect this dividend payable.

	2009 HK\$'000	2008 HK\$'000
Interim dividend paid of HK\$0.08 (2008: HK\$0.08) per ordinary share	31,295	31,295
Proposed final dividend of HK\$ 0.32 (2008: HK\$0.31) per ordinary share	125,183	121,271
	156,478	152,566

The aggregate amounts of the dividends paid and proposed during 2009 and 2008 have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

- End -

Notes to Editor

Asia Satellite Telecommunications Company Limited (AsiaSat), the leading regional satellite operator in Asia, serves over two-thirds of the world's population with its powerful satellite fleet, comprising AsiaSat 3S at 105.5°E, AsiaSat 4 at 122°E and AsiaSat 5 at 100.5°E. The AsiaSat satellite fleet provides services to both the broadcast and telecommunications industries. Over 300 television and radio channels are now delivered by the company's satellites, reaching over 96 million households, with more than 360 million viewers across the Asia Pacific region. Many telecommunications customers use AsiaSat for services such as public telephone networks, private VSAT networks and broadband multimedia services. It 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