ASIA SATELLITE TELECOMMUNICATIONS HOLDINGS LIMITED
ANNOUNCEMENT OF ANNUAL RESULTS

FOR THE YEAR TO 31 DECEMBER 2013

Hong Kong, 20 March 2014 -- Asia Satellite Telecommunications Holdings Limited ('AsiaSat' – SEHK: 1135), Asia's leading satellite operator, today announces its 2013 annual results for the year ended 31 December 2013.

A YEAR OF CHALLENGE AND OPPORTUNITY

Financial Summary:

• Turnover from continuing operations	HK$1,498,631,000*	-16%
• Profit attributable to shareholders from continuing operations	HK$747,520,000	-4%
• Earnings per share from continuing operations	HK$1.91	-4%
• Proposed final dividend per share	HK$0.80	No change
• Proposed special dividend per share	HK$1.50	+50%

* 2012 turnover included HK$311 million as a one-off revenue resulting from the enactment of the Finance Act in India in May 2012. Excluding the one-off revenue, the 2013 turnover achieved was relatively flat when compared with the previous year

Operational Highlights:

- AsiaSat 6 and AsiaSat 8 on schedule for launch in mid 2014 to provide new C and Ku-band capacity for business growth
- AsiaSat 7 to fully replace AsiaSat 3S in Q2 2014 to offer enhanced power and coverage at 105.5ºE
- Commencement of the preliminary design phase for AsiaSat 9, the AsiaSat 4's replacement in 2017 to provide new coverage and services at 122ºE
- New customer acquisitions and service expansion of existing customers reinforced AsiaSat's leadership position in broadcasting service

AsiaSat's Chairman, Sherwood P. Dodge, said, "The launch of AsiaSat 6 and AsiaSat 8 will provide new revenue streams, as customers take advantage of the increased capacity which these powerful new satellites will bring."

"Acquiring new business in 2014 will remain a top priority. Our expanding satellite fleet and reputation for providing quality and reliable satellite capacity together with our commitment to our customers puts us in an excellent position to develop new business opportunities. The market remains highly competitive, but I believe our able management team and our high-quality services will enable us to move the business forward in 2014."

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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 2013

Chairman's Statement

A YEAR OF CHALLENGE AND OPPORTUNITY

After several consecutive years of record results, excluding the one-off impact of the Indian tax, AsiaSat produced relatively flat returns in 2013, due mainly to the renewal of contracts with an anchor customer at a lower rate and increased competition in the market.

Nevertheless, we made several significant new customer acquisitions during the year and positioned ourselves for growth with the planned launch of AsiaSat 6 and AsiaSat 8 to provide new C and Ku-band capacity in the second half of 2014.

These new satellites, along with our renowned service quality, will enable us to broaden our customer base and open up new markets in the years to come.

CONNECTING PEOPLE AND THE WORLD

We are a leader in the satellite industry in Asia and continue to be competitive in our markets. We are based in Hong Kong but have a significant customer presence in the Asia-Pacific region and the Middle East, with an established international clientele of broadcasters, service providers, governments and enterprises. These clients recognise AsiaSat's service quality reliability and expertise that few of our competitors can match.

During the year, we reinforced our position as a premier satellite operator for broadcasting services in the region, for direct-to-home (DTH), television distribution, and occasional use services for live coverage of major sports tournaments and events to viewers across the Asia-Pacific. In February this year, AsiaSat supported the live transmission of the Winter Olympics in Sochi, Russia to the Asia-Pacific. We will continue this tradition in 2014 by delivering live television coverage of the world's biggest and most viewed sporting event: the 2014 FIFA World Cup from Brazil.

During 2013 many news agencies and broadcasters relied upon AsiaSat to distribute breaking and special news from across the region. As media consumption patterns change with increased usage of mobile devices such as smartphones and tablets, we are well positioned to deliver instant access via mobile backhauling networks to sporting events, news and entertainment with superior connectivity.

TURNOVER

Turnover from continuing operations for 2013 was HK$1,499 million (2012: HK$1,780 million), representing a decrease of 16% from the previous year. The decline was primarily due to the previous year's one-off revenue of HK$311 million resulting from the enactment of the Finance Act in India in May 2012, and a lower transponder lease rate for an anchor customer that became effective in 2013 which was partially offset by the short-term revenue generated from the leasing of AsiaSat 7. The turnover achieved was relatively flat when compared with the previous year if one-off revenue items are excluded.

OPERATING EXPENSES

Operating expenses in 2013, excluding depreciation, totalled HK$191 million (2012: HK$248 million), representing a decrease of 23% compared with 2012. The decrease was mainly the result of net exchange gains on the revaluation of bank deposits denominated in RMB, and Indian tax payable denominated in Indian Rupees. There was also a reduction in professional fees spent in the year and the reversal of impairment provisions previously made on certain customer debts, which we were able to recover during the year.

DEPRECIATION

Depreciation for continuing operations in 2013 was HK$437 million (2012: HK$345 million), representing an increase of HK$92 million resulting from the commencement of depreciation of AsiaSat 7 during the year.

PROFIT

Profit attributable to equity holders for 2013 was HK$748 million (2012: HK$914 million), a decrease of HK$166 million. The decline was substantially due to the one-time gain from discontinued operations of HK$119 million, arising from the disposal of SpeedCast Holdings Limited, our wholly-owned subsidiary, in 2012. In addition, the larger depreciation charge described above was only partially offset by a lower operating expense.

CASH FLOW

The Group generated a net cash outflow, including the movement in short-term deposits with maturities over three months, of HK$623 million in 2013 (2012: outflow of HK$165 million) after capital expenditure of HK$1,074 million (2012: HK$1,669 million). As of 31 December 2013, the Group had cash and bank balances of HK$1,501 million (31 December 2012: HK$2,105 million).

DIVIDENDS

The Board will recommend a final dividend of HK$0.80 per share (2012: HK$0.80 per share) and a special dividend of HK$1.50 per share (2012: HK$1.00 per share) in the forthcoming Annual General Meeting to be held on 19 June 2014. This together with the interim dividend of HK$0.12 per share (2012: HK$0.12 per share), gives a total dividend of HK$2.42 per share (2012: HK$1.92 per share) for the year ended 31 December 2013.

CORE BUSINESS PERFORMANCE

New contracts won during the review period amounted to a total value of HK$617 million (2012: HK$162 million), while renewed contracts were HK$658 million (2012: HK$2,434 million). Combined new and renewed contracts amounted to HK$1,275 million (2012: HK$2,596 million). As previously disclosed, the reduction in contract value was due to renegotiation of a major customer contract in 2012.

INDIAN FINANCE ACT

The Finance Act passed in India in May 2012 continued to affect our business. The Act taxes revenue generated from the provision of satellite transponder capacity to Indian customers and any non-Indian customers considered to have earned income from any business or source in India.

The Indian Government approved in its budget an increase of the royalty withholding tax rate from 10% to 25% effective from 1 April 2013.

Nevertheless, as stated in previous reports, the amount of AsiaSat's revenue considered to be Indian sourced, and thus taxable in India, is still under discussion as of the date of this report.

The increase in the tax rate will have a negative impact on our future business, since to remain competitive in this market we may need to make pricing adjustments which could negatively impact our margins.

EX-IM BANK LOAN

In December 2013, AsiaSat signed an agreement for a long-term loan of up to US$345.5 million with the Export-Import Bank of the United States ("Ex-Im Bank"), an independent US government agency that provides low-interest loans to companies that purchase US products and services. The loan is to finance the construction and launch of AsiaSat 6 and AsiaSat 8 and has been partially drawn down during 2014.

This loan will enhance our capital structure and improve the Company's return on equity while allowing us to maintain financial flexibility to build additional capacity or look for suitable merger and acquisition opportunities.

SATELLITES

Our fleet

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

The planned launches of our new satellites AsiaSat 6 and AsiaSat 8 remain on schedule for the second quarter of 2014. Once in orbit, these satellites will provide us with additional capacity to serve existing growth markets and exploit new opportunities.

AsiaSat 7, now in orbit, will fully replace AsiaSat 3S in the second quarter of 2014.

Future addition to our fleet

The preliminary design phase for AsiaSat 9 started in January 2014 and, when launched in 2017, will replace AsiaSat 4. AsiaSat 9 will introduce new services and coverage to the region and will enhance our position in the marketplace.

OUTLOOK FOR 2014

Despite the weak economic situation that is affecting some of our customers, we believe there continue to be growth opportunities in South Asia, Southeast Asia and the Middle East.

One of our strongest competitive advantages is AsiaSat's reputation amongst broadcasters for quality and service. Potential customers see that AsiaSat carries globally-recognised brands in the broadcast and media sector, and this "neighbourhood" effect influences their decision to choose AsiaSat to deliver their services.

The addition of new HD customers such as Edge Sport HD, along with the HD service expansion of existing customers such as Phoenix Satellite TV, will continue to have a positive effect on our business. In addition, new opportunities exist in the market for Ku-band services in Southeast Asia in countries where supply lags behind demand.

In 2014, the launch of AsiaSat 6 and AsiaSat 8 will provide new revenue streams, as customers take advantage of the increased capacity which these powerful new satellites will bring.

Acquiring new business in 2014 will remain a top priority. Our expanding satellite fleet and reputation for providing quality and reliable satellite capacity together with our commitment to our customers puts us in an excellent position to develop new business opportunities. The market remains highly competitive, but I believe our able management team and our high-quality services will enable us to move the business forward in 2014.

ACKNOWLEDGMENTS

I would like to personally thank all of the AsiaSat management team and staff for their dedication and hard work in 2013. I would also like to thank our Board of Directors, some of whom retired during 2013, for their years of service.

Let me also take this opportunity to congratulate Mr. William WADE, our President and Chief Executive Officer, for the Satellite Executive of the Year in Asia-Pacific award he received in September from the Asia-Pacific Satellite Communications Council and I would like to acknowledge my predecessor, Mr. JU Wei Min, whose leadership and wisdom during his time as chairman of the Board were instrumental in guiding our Company forward.

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

Sherwood P DODGE
Chairman

Hong Kong, 20 March 2014

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December 2013 HK$'000	2012 HK$'000
Continuing operations			
Sales	2	**1,498,631**	1,779,545
Cost of services		**(540,278)**	(459,046)
Gross profit		**958,353**	1,320,499
Administrative expenses		**(87,573)**	(134,344)
Other gains - net		**26,967**	28,855
Operating profit	3	**897,747**	1,215,010
Finance expenses		**-**	(3,654)
Profit before income tax		**897,747**	1,211,356
Income tax expense	5	**(150,227)**	(431,231)
Profit and total comprehensive income for the year from continuing operations		**747,520**	780,125
Discontinued operations			
Profit for the year from discontinued operations	4	**-**	134,247
Profit and total comprehensive income for the year		**747,520**	914,372
Profit and total comprehensive income attributable to:			
Owners of the Company		**747,640**	914,491
Non-controlling interests		**(120)**	(119)
		747,520	914,372
Profit attributable to owners of the Company arises from:			
Continuing operations		**747,640**	780,244
Discontinued operations	4	**-**	134,247
		747,640	914,491
Earnings per share from continuing and discontinued operations attributable to the owners of the Company for the year (expressed in HK$ per share)			
Basic earnings per share			
From continuing operations		**1.91**	2.00
From discontinued operations		**-**	0.34
From profit for the year	6	**1.91**	2.34
Diluted earnings per share			
From continuing operations		**1.91**	1.99
From discontinued operations		**-**	0.34
From profit for the year	6	**1.91**	2.33
Dividends	7	**946,693**	751,095

Note 1 to Note 7 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

	Note	As at 31 December 2013 HK$'000	2012 HK$'000
ASSETS			
Non-current assets			
Leasehold land and land use rights		**19,534**	20,117
Property, plant and equipment		**6,604,655**	6,064,661
Unbilled receivables		**3,005**	44,110
Deposit		**2,616**	-
Total non-current assets		**6,629,810**	6,128,888
Current assets			
Tax recoverable		**-**	16,085
Trade and other receivables		**405,813**	412,899
Cash and bank balances		**1,501,110**	2,104,940
Total current assets		**1,906,923**	2,533,924
Total assets		**8,536,733**	8,662,812
EQUITY			
Equity attributable to owners of the Company			
Ordinary shares		**39,120**	39,120
Reserves			
- Retained earnings		**6,556,941**	6,764,776
- Proposed final dividend		**312,956**	312,956
- Proposed special dividend		**586,794**	391,196
- Other reserves		**25,059**	30,290
		7,520,870	7,538,338
Non-controlling interests		**901**	1,021
Total equity		**7,521,771**	7,539,359
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**389,307**	352,919
Deferred revenue		**54,377**	72,194
Other amounts received in advance		**1,377**	1,377
Other payables		**-**	1,950
Total non-current liabilities		**445,061**	428,440
Current liabilities			
Construction payables		**12,882**	110,901
Other payables and accrued expenses		**65,210**	70,557
Deferred revenue		**199,166**	216,985
Current income tax liabilities		**292,522**	296,449
Dividend payable		**121**	121
Total current liabilities		**569,901**	695,013
Total liabilities		**1,014,962**	1,123,453
Total equity and liabilities		**8,536,733**	8,662,812
Net current assets		**1,337,022**	1,838,911
Total assets less current liabilities		**7,966,832**	7,967,799

Note 1 to Note 7 are 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 policies and disclosures

(a) New and amended standards adopted by the Group

The new and amended standards are mandatory for the first time for the financial year beginning 1 January 2013 include the following:

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Amendment)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Associates and Joint Ventures
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 new and amended standards did not result in substantial changes to the accounting policies and financial statements of the Group in the current year.

(b) New and amended standards 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 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]
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Novation of derivatives[1]
HKFRS 9	Financial Instruments[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Amendments to HKFRS 10, HKFRS 12, and HKAS 27 – Investment Entities[1]
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.

2. Sales and segment information

(a) Sales:

The Group's sales are analysed as follows:

	2013	2012
	HK$'000	HK$'000
Continuing operations		
Income from provision of satellite transponder capacity		
- recurring (Note)	**1,446,195**	1,717,922
- non-recurring	**4,368**	15,600
Sales of satellite transponder capacity	**17,818**	17,818
Other revenues	**30,250**	28,205
	1,498,631	1,779,545

Note:
For the year ended 31 December 2013, a total amount of HK$50,345,000 (2012: HK$311,233,000) was recorded as the additional revenue from certain customers following the enactment of the Finance Act in India in 2012, which imposes tax on the Group for revenue that could be considered as Indian sourced subject to Indian Court's final decision.

(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 indirect wholly-owned interest in SpeedCast Holdings Limited 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 4 for details.

In June 2012, the Group has 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 2012. The disposal group of jointly controlled entities was classified as "discontinued operations" during the year ended 31 December 2012. Refer to Note 4 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 consolidated statement of comprehensive income.

The amounts provided to the President and Chief Executive Officer with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

2. **Sales and segment information (Continued)**

(b) Segment information: (Continued)

	2013			
	Continuing operations	Discontinued operations		
	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	1,199,603	-	-	1,199,603
Sales to related parties	268,778	-	-	268,778
Other revenues	30,250	-	-	30,250
Total	1,498,631	-	-	1,498,631
Operating profit/Profit before income tax	897,747	-	-	897,747
Income tax expense	(150,227)	-	-	(150,227)
Profit for the year	747,520	-	-	747,520
Depreciation	437,024	-	-	437,024
Interest income	24,188	-	-	24,188
Capital expenditure	977,355	-	-	977,355
Total assets	8,536,733	-	-	8,536,733
Total liabilities	1,014,962	-	-	1,014,962

2. Sales and segment information (Continued)

(b) Segment information: (Continued)

	2012			
	Continuing operations	Discontinued operations		
	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	1,444,758	182,010	-	1,626,768
Sales to related parties	229,931	-	-	229,931
Inter-segment sales	76,651	583	(77,234)	-
Other revenues	28,205	-	-	28,205
Total	1,779,545	182,593	(77,234)	1,884,904
Operating profit	1,215,010	15,030	-	1,230,040
Finance expenses	(3,654)	(4)	-	(3,658)
Gain on disposal of subsidiaries	-	119,221	-	119,221
Profit before income tax	1,211,356	134,247	-	1,345,603
Income tax expense	(431,231)	-	-	(431,231)
Profit for the year	780,125	134,247	-	914,372
Depreciation	345,459	9,811	-	355,270
Interest income	28,700	1	-	28,701
Capital expenditure	1,742,770	-	-	1,742,770
Total assets	8,662,812	-	-	8,662,812
Total liabilities	1,123,453	-	-	1,123,453

The Group is domiciled in Hong Kong. From continuing operations, the sales to customers in Hong Kong and Greater China for the year ended 31 December 2013 are HK$254,800,000 (2012: HK$508,048,000) and HK$298,568,000 (2012: HK$258,623,000) respectively, and the total sales to customers in other countries is HK$945,263,000 (2012: HK$1,012,874,000).

2. Sales and segment information (Continued)

(b) Segment information: (Continued)

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 has been presented.

For the year ended 31 December 2013, sales of approximately HK$152,284,000 (2012: HK$405,515,000) 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:

	2013	2012
	HK$'000	HK$'000
Continuing operations		
Interest income	**24,188**	28,700
Net gain on disposals of property, plant and equipment	**428**	155
Others	**2,351**	-
Other gains - net	**26,967**	28,855
Salary and other benefits, including directors' remuneration	**110,261**	117,457
Share-based payment	**9,131**	9,278
Pension costs – defined contribution plans	**8,403**	7,632
Total staff costs	**127,795**	134,367
Auditor's remuneration	**1,375**	1,438
(Write back)/provision for impairment of trade receivables, net	**(10,879)**	1,445
Depreciation of property, plant and equipment	**437,024**	345,459
Operating leases		
- Office premises	**11,355**	8,599
- Leasehold land and land use rights	**583**	583
Net exchange gain	**(24,626)**	(1,849)
Marketing and promotions expense	**9,039**	9,378
Satellite operations	**6,398**	7,806

4. Discontinued operations

During the year ended 31 December 2012, the Group had disposed of the following interests in subsidiaries and jointly controlled entities. The results were presented in the consolidated statement of comprehensive income as discontinued operations in the prior year.

On 21 September 2012, the Group disposed of its indirect wholly-owned interest in SpeedCast Holdings Limited and its subsidiaries which were principally involved in the provision of broadband access services at a cash consideration of US$32,240,000 (or approximately HK$251,479,000) to an independent third party, resulting in a gain on disposal of approximately HK$119,221,000.

On 29 June 2012, the Group completed the disposal of its interest in jointly controlled entities, DISH-HD Asia Satellite Limited 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 year 2012, the Group did not take up any additional share of losses of DISH-HD Asia Satellite Limited as the accumulated share of losses has 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.

Results of the discontinued operations

The combined results of the discontinued operations (i.e broadband access services and direct-to-home satellite television service) are set out below:

	Year ended 31 December 2012 HK$'000
Sales	182,593
Cost of services	(122,256)
Gross profit	60,337
Administrative expenses	(45,281)
Other losses – net	(26)
Operating profit	15,030
Finance expenses	(4)
Profit before income tax	15,026
Income tax expense	-
Profit after income tax	15,026
Gain on disposal of subsidiaries	119,221
Profit for the year from discontinued operations	134,247

4. Discontinued operations (Continued)

Results of the discontinued operations (Continued)

The major classes of assets and liabilities of the disposal groups, are as follows:

	Year ended 31 December 2012 HK$'000
Net assets and gain on discontinued operations disposed	
Property, plant and equipment	47,936
Inventories	7,407
Trade and other receivables	40,652
Cash and bank balances	58,680
Other payables and accrued expenses	(36,808)
Amount due to immediate holding company	(24,284)
	93,583
Goodwill	38,675
Net assets of discontinued operations disposed	132,258
Cash consideration	251,479
Gain on disposal	119,221

Total consideration in relation to the disposal, fully paid by cash during the year	Year ended 31 December 2012 HK$'000
An analysis of the cash flows in respect of the disposal groups is as follows:	
Cash consideration	251,479
Cash and bank balances	(58,680)
Net inflow of cash and cash equivalents included in cash flows from investing activities	192,799

Cash flows from discontinued operations

	Year ended 31 December 2012 HK$'000
Net cash from operating activities	23,812
Net cash used in investing activities	(18,174)
Net cash used in financing activities	(14)
Net cash flows	5,624

5. 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 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% (2012: 7% to 42.23%), prevailing in the countries in which the profit is earned.

	2013	2012
	HK$'000	HK$'000
Current income tax		
- Hong Kong profits tax	**26,297**	9,880
- Overseas taxation	**87,542**	356,028
Total current tax	**113,839**	365,908
Deferred income tax	**36,388**	65,323
Income tax expense	**150,227**	431,231

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

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

Based on the latest advice received by the Group from the Group's advisers in India, the Group has recorded a provision of HK$68 million for the year ended 31 December 2013 (2012: HK$412 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 provision for overseas taxation for the year ended 31 December 2012 included a reversal of HK$73 million with respect to provisions made in the past in relation to the Group's withholding tax obligation as management considered the likelihood of such liabilities were remote. No similar reversal was recorded in the current year.

5. 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:

	2013 **HK$'000**	2012 HK$'000
Profit before income tax	**897,747**	1,211,356
Tax calculated at tax rate of 16.5% (2012: 16.5%)	**148,128**	199,874
Tax effect of income not subject to income tax	**(125,509)**	(164,527)
Tax effect of expenses not deductible for tax purposes	**40,071**	39,877
Effect of income tax rate differential between Hong Kong and overseas locations	**87,537**	356,007
Tax expense	**150,227**	431,231

The effective tax rate of the Group was 16.7% (2012: 35.6%).

The decrease in effective tax rate was mainly attributable to the one-off retrospective recognition of Indian withholding tax upon the passage of Indian Income Tax Act (as amended by Finance Act enacted in May 2012 with retrospective effect) in 2012.

6. 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.

	2013 **HK$'000**	2012 HK$'000
Profit attributable to owners of the Company	**747,640**	914,491
Less :		
Profit from discontinued operations attributable to owners of the Company	**-**	134,247
Earnings for the purpose of basic earnings per share from continuing operations	**747,640**	780,244

	2013	2012
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**390,929**	391,128
Basic earnings per share (HK$)		
- Continuing operations	**1.91**	2.00
- Discontinued operations	**-**	0.34
	1.91	2.34

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

6. **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.

	2013 HK$'000	2012 HK$'000
Profit attributable to owners of the Company	**747,640**	914,491
Less :		
Profit from discontinued operations attributable to owners of the Company	**-**	134,247
Earnings for the purpose of diluted earnings per share from continuing operations	**747,640**	780,244

	2013	2012
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousands)	**390,929**	391,128
Effect of Award Shares (in thousands)	**522**	682
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (in thousands)	**391,451**	391,810
Diluted earnings per share (HK$)		
- Continuing operations	**1.91**	1.99
- Discontinued operations	**-**	0.34
	1.91	2.33

7. **Dividends**

The dividends paid in 2013 and 2012 were HK$749,997,000 (HK$1.92 per share) and HK$46,926,000 (HK$0.12 per share) respectively. The directors recommend the payment of a final dividend of HK$0.80 (2012: HK$0.80) per share and a special dividend of HK$1.50 (2012: HK$1.00) per share, totaling HK$2.30 (2012: HK$1.80) per share. Such dividend is to be approved by the shareholders at the Annual General Meeting on 19 June 2014. These financial statements do not reflect these dividends payable.

	2013 HK$'000	2012 HK$'000
Interim dividend paid of HK$0.12 (2012: HK$0.12) per ordinary share	**46,943**	46,943
Proposed final dividend of HK$0.80 (2012: HK$0.80) per ordinary share	**312,956**	312,956
Proposed special dividend of HK$1.50 (2012:HK$1.00) per ordinary share	**586,794**	391,196
	946,693	751,095

The aggregate amounts of the dividends paid and proposed during 2013 and 2012 have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

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

- 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 four satellites, AsiaSat 3S at 105.5ºE, AsiaSat 4 at 122ºE, AsiaSat 5 at 100.5ºE and AsiaSat 7. The AsiaSat satellite fleet provides services to both the broadcast and telecommunications industries. Over 450 television and radio channels are now delivered by the company's satellites offering access to over 710 million TV households across the Asia-Pacific region. AsiaSat also provides telecommunications operators and end users services such as voice networks, private VSAT networks and broadband multimedia. AsiaSat's latest satellites, AsiaSat 6 and AsiaSat 8, are scheduled for launch in the first half of 2014. AsiaSat 9 which is on order from the manufacturer is planned to be launched in 2017. 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