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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

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As mentioned in the chairman's statement set out in the annual report of Asia Satellite Telecommunications Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") published by the Company on 26 April 2012 (the "**2011 Annual Report**"), a new Finance Bill (the "**Finance Bill**") has been proposed in India which, if passed by the Indian Parliament, would result in unfavourable consequences to the Group's current tax proceedings in the Indian Courts. Further details are set out in Note 31 to the Group's financial statements for the year ended 31 December 2011 contained in the 2011 Annual Report.

The board of directors (the "**Board**") of the Company announces that it has come to its attention that the Finance Bill was recently passed by the Indian Parliament and was enacted with retrospective effect after presidential assent was given to it. Under the Indian Income Tax Act (as amended by the Finance Bill), revenues received from the provision of satellite transponder capacity to the Group's customers which carry on business in India or earn income from any source in India ("**Indian sourced**") will be charged to tax in India. As the Finance Bill was enacted with retrospective effect, this would result in unfavourable consequences to the Group's current tax proceedings in the Indian Courts where orders in favour of the Group were made in the past. However, the portion of revenue earned by the Group that would be deemed to be Indian sourced is yet to be decided by the Indian Courts and is therefore still uncertain.

The Group is currently seeking clarifications from its legal and tax advisors in order to assess the potential exposure of the above to the Group and is evaluating various options available to it to deal with the issues arising from the retrospective amendments to the Indian Income Tax Act introduced by the Finance Bill.

By Order of the Board
Sue YEUNG
Company Secretary

Hong Kong, 29 May 2012

As at the date of this announcement, the Board comprises 12 directors. The Executive Director is Mr. William WADE. The Non-executive Directors are Mr. JU Wei Min (Chairman), Mr. Sherwood P. DODGE (Deputy Chairman), Mr. MI Zeng Xin, Mr. LUO Ning, Mr. Peter JACKSON, Mr. John F. CONNELLY, Ms. Nancy KU and Mr. Mark CHEN. The Independent Non-executive Directors are Professor Edward CHEN, Mr. Robert SZE and Mr. James WATKINS. The Alternate Director is Mr. CHONG Chi Yeung (alternate to Mr. MI Zeng Xin).

** For identification purpose only*