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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

DISCLOSEABLE TRANSACTION

CONTRACT FOR LAUNCH SERVICES

Reference is made to the announcements of the Company dated 11 November 2011 and 8 February 2012 respectively, and the circular of the Company dated 16 December 2011 relating to the Construction Agreements for the construction of AsiaSat 6 and AsiaSat 8 and the provision of associated equipment and services, and the SpaceX Launch Contracts for the launch of AsiaSat 6 and AsiaSat 8.

On 22 June 2012, AsiaSat entered into the ILS Launch Contract for the provision of one (1) launch service by ILS at the Launch Site at a cash consideration of approximately US\$107 million (equivalent to approximately HK\$834.6 million). The Launch Service may be used for launching either AsiaSat 6 or AsiaSat 8 at the same cash consideration, or for AsiaSat 9, in which case the cash consideration will be adjusted to US\$109 million (equivalent to approximately HK\$850.2 million).

In the event of a launch mission failure, AsiaSat may order a replacement launch service from ILS to launch a replacement satellite with configuration and mission identical to AsiaSat 6, AsiaSat 8 or AsiaSat 9 (as applicable) at a consideration of either US\$112 million (equivalent to approximately HK\$873.6 million) or US\$117 million (equivalent to approximately HK\$912.6 million), depending on the actual date of the replacement launch, and such replacement launch shall take place no later than 31 December 2017.

The Launch Price as specified in the ILS Launch Contract is also inclusive of the amount payable by AsiaSat for binding the Additional Launch Option which entitles AsiaSat to, at its sole discretion and subject to the terms and conditions of the ILS Launch Contract, request ILS to provide one (1) additional launch service for the launch of AsiaSat 9 if the Launch Service was used for launching either AsiaSat 6 or AsiaSat 8. The cash consideration for exercising the Additional Launch Option is US\$108 million (equivalent to approximately HK\$842.4 million).

As the applicable percentage ratios attributable to the ILS Launch Contract exceeds 5% but are less than 25%, the ILS Launch Contract constitutes a discloseable transaction of the Company, and is subject to the announcement requirement but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The ILS Launch Contract, when aggregated with the Construction Agreements and the SpaceX Launch Contracts (details of which are set out in the Previous Disclosures) pursuant to Rule 14.22 of the Listing Rules, would remain as a major transaction under the Listing Rules. As the Company has complied with the major transaction requirements in respect of the Construction Agreements and the SpaceX Launch Contracts, the Company is not required to reclassify the ILS Launch Contract by aggregating it with the Construction Agreements and the SpaceX Launch Contracts. The Company will comply with the requisite requirements under Chapter 14 of the Listing Rules if and when it exercises the Replacement Launch Option and/or the Additional Launch Option, and a further announcement or announcements will be made if required.

INTRODUCTION

Reference is made to the Previous Disclosures. On 22 June 2012, AsiaSat entered into the ILS Launch Contract for the provision of one (1) launch service by ILS which may be used for launching either AsiaSat 6 or AsiaSat 8, or for AsiaSat 9.

THE ILS LAUNCH CONTRACT

Date

22 June 2012

Parties

1. AsiaSat, as the customer
2. ILS, as the provider of the Launch Service

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, ILS and its ultimate beneficial owners are third parties independent of the Company and of connected persons of the Company.

Subject Matter

Pursuant to the ILS Launch Contract, ILS shall provide one (1) launch service from the Launch Site for launching AsiaSat 6 or AsiaSat 8 during the three (3) month period from 1 March 2014 to 31 May 2014 in accordance with the terms of the ILS Launch Contract. The Launch Service may be reassigned to AsiaSat 9, in which case the launch period will be postponed to the six (6) month period from 1 July 2015 to 31 December 2015. The relevant launch period may be postponed by no more than twenty-four (24) months in accordance with the terms of the ILS Launch Contract.

Consideration and Payment

The consideration for the provision of the Launch Service is approximately US\$107 million (equivalent to approximately HK\$834.6 million) if provided for either AsiaSat 6 or AsiaSat 8, or US\$109 million (equivalent to approximately HK\$850.2 million) for AsiaSat 9 (the “**Launch Price**”). US\$10.3 million (equivalent to approximately HK\$80.34 million) of the Launch Price will be payable on 5 July 2012. The remaining balance of the Launch Price will be payable in stages, the final balance of which will be payable on 1 February 2014 if the Launch Service was provided for either AsiaSat 6 or AsiaSat 8, or seven (7) days prior to the date of launch for AsiaSat 9.

The Launch Price was negotiated on an arm’s length basis taking into account the fees for similar services available in the market. Such consideration will be paid in cash and will be fully funded by the internal resources of the Group.

Termination charge

A termination charge of up to the US\$52,000,000 (equivalent to approximately HK\$405,600,000) shall be payable by AsiaSat if the Launch Service is terminated by AsiaSat at its own election or for reasons including a default of payment or excessive launch postponements by AsiaSat in accordance with the terms of the ILS Launch Contract.

Replacement Launch Option

In the event of a launch mission failure, AsiaSat may order a replacement launch service from ILS to launch a replacement satellite with configuration and mission identical to AsiaSat 6, AsiaSat 8 or AsiaSat 9 (as applicable) at a consideration of either US\$112 million (equivalent to approximately HK\$873.6 million) or US\$117 million (equivalent to approximately HK\$912.6 million), depending on the actual date of the replacement launch, and such replacement launch shall take place no later than 31 December 2017.

Additional Launch Option

The Launch Price as specified in the ILS Launch Contract is also inclusive of the amount payable by AsiaSat for binding the Additional Launch Option which entitles AsiaSat to, at its sole discretion and subject to the terms and conditions of the ILS Launch Contract, request ILS to provide one (1) additional launch service for the launch of AsiaSat 9 if the Launch Service was provided for either AsiaSat 6 or AsiaSat 8. The cash consideration for exercising the Additional Launch Option is US\$108 million (equivalent to approximately HK\$842.4 million).

REASONS FOR AND BENEFITS OF THE ILS LAUNCH CONTRACT

In anticipation of possible inflation in the prices for launch services, the Directors consider that it is commercially beneficial for the Company to secure the provision of a launch service for one of its future satellites. The Directors believe that the terms of the ILS Launch Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of satellite transponder capacity and satellite services to broadcasting and telecommunications markets and broadband access services.

INFORMATION ON THE ILS

To the extent of the Company's knowledge, ILS is engaged in the provision of communications satellite launch services.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios attributable to the ILS Launch Contract exceed 5% but are less than 25%, the ILS Launch Contract constitutes a discloseable transaction of the Company, and is subject to the announcement requirement but exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The ILS Launch Contract, when aggregated with the Construction Agreements and the SpaceX Launch Contracts (details of which are set out in the Previous Disclosures) pursuant to Rule 14.22 of the Listing Rules, would remain as a major transaction under the Listing Rules. As the Company has complied with the major transaction requirements in respect of the Construction Agreements and the SpaceX Launch Contracts, the Company is not required to reclassify the ILS Launch Contract by aggregating it with the Construction Agreements and the SpaceX Launch Contracts. The Company will comply with the requisite requirements under Chapter 14 of the Listing Rules if and when it exercises the Replacement Launch Option and/or the Additional Launch Option, and a further announcement or announcements will be made if required.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Additional Launch Option”	the option for AsiaSat to order one (1) additional launch service from ILS for the launch of AsiaSat 9 on the same terms as the ILS Launch Contract if the Launch Service was used for the launch of AsiaSat 6 or AsiaSat 8;
“AsiaSat”	Asia Satellite Telecommunications Company Limited, an indirect wholly-owned subsidiary of the Company, incorporated under the laws of Hong Kong;

“AsiaSat 6”	the communications satellite which is being constructed by SS/L pursuant to the AsiaSat 6 Construction Agreement;
“AsiaSat 6 Construction Agreement”	the agreement dated 11 November 2011 entered into between AsiaSat and SS/L for the construction of AsiaSat 6;
“AsiaSat 6 Launch Contract”	the agreement dated 8 February 2012 entered into between AsiaSat and the SpaceX for the launch of AsiaSat 6;
“AsiaSat 8”	the communications satellite, which is being constructed by SS/L pursuant to the AsiaSat 8 Construction Agreement;
“AsiaSat 8 Construction Agreement”	the agreement dated 11 November 2011 entered into between AsiaSat and SS/L for the construction of AsiaSat 8;
“AsiaSat 8 Launch Contract”	the agreement dated 8 February 2012 entered into between AsiaSat and SpaceX for the launch of AsiaSat 8;
“AsiaSat 9”	a new communications satellite planned to be procured by AsiaSat for launch into orbit in 2015;
“Board”	the board of Directors;
“Company”	Asia Satellite Telecommunications Holdings Limited, a company incorporated under the laws of Bermuda and an investment holding company that indirectly owns 100% shareholding of AsiaSat. The shares of the Company are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“Construction Agreements”	collectively, the AsiaSat 6 Construction Agreement and the AsiaSat 8 Construction Agreement, and the Construction Agreement shall refer to any one of them;
“Director(s)”	the directors of the Company;
“Group”	the Company and its subsidiaries including but not limited to AsiaSat;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“ILS”	ILS International Launch Services, Inc., a corporation organised and existing under the laws of the State of Delaware, U.S.A. having its principal place of business in Virginia, U.S.A. To the extent of the Company’s knowledge, its principal business is the provision of communications satellite launch services;
“ILS Launch Contract”	the agreement dated 22 June 2012 entered into between AsiaSat and ILS for the provision of the Launch Service;
“Launch Price”	the price for the Launch Service;
“Launch Service”	the launch service to be provided by ILS for AsiaSat 6, AsiaSat 8 or AsiaSat 9 (as applicable) under the ILS Launch Contract;
“Launch Site”	ILS’s launch facility at Baikonur Cosmodrome in the Republic of Kazakhstan (or another site as mutually agreed upon by AsiaSat and ILS);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Previous Disclosures”	the announcements of the Company dated 11 November 2011 and 8 February 2012 respectively, and the circular of the Company dated 16 December 2011 relating to the Construction Agreements and the SpaceX Launch Contracts;
“Replacement Launch Option”	the option for AsiaSat to order a replacement launch from ILS in the event of a launch mission failure pursuant to the terms of the ILS Launch Contract;
“Shareholder(s)”	the shareholder(s) of the Company;

“SpaceX”	Space Exploration Technologies Corp., a corporation organised and existing under the laws of the State of Delaware, U.S.A. Its principal business is the provision of communications satellite launch services;
“SpaceX Launch Contracts”	collectively, the AsiaSat 6 Launch Contract and the AsiaSat 8 Launch Contract, and the SpaceX Launch Contract shall refer to any of them;
“SS/L”	Space Systems/Loral, Inc., a corporation organised and existing under the laws of the State of Delaware, U.S.A. and headquartered in California, U.S.A. Its principal business is in designing and manufacturing and integrating of communication satellites and satellite systems;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the U.S.A.; and
“%”	per cent.

By Order of the Board
Sue YEUNG
Company Secretary

Hong Kong, 22 June 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).

Conversions of US\$ into HK\$ in this announcement are for reference only and have been made at a rate of US\$1.00 to HK\$7.8. Such conversions should not be construed as representations that the US\$ amounts could be converted into HK\$ at that or any other rate.

** For identification purpose only*