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If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Satellite Telecommunications Holdings Limited (the “Company”), you should at once hand this Circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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Asia Satellite Telecommunications Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1135)

DISCLOSEABLE TRANSACTION

**SHARE PURCHASE AGREEMENT RELATING TO EQUITY INTEREST
IN SPEEDCAST HOLDINGS LIMITED**

10 October 2007

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DEFINITIONS

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

“AsiaSat”	Asia Satellite Telecommunications Company Limited, an indirectly wholly-owned subsidiary of the Company incorporated under the laws of the Hong Kong, the principle business of which being the provision of satellite services to broadcasting and telecommunications markets;
“Agreements”	collectively the First Agreement and the Second Agreement;
“Company”	Asia Satellite Telecommunications Holdings Limited, incorporated under the laws of Bermuda, with its principle business being an investment holding company that indirectly owns the entire issued share capital of AsiaSat. The shares of the Company are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“First Agreement”	the share purchase agreement entered into between the First Vendor and AsiaSat on 31 August 2007 for the purchase by AsiaSat the entire shareholding of 23.39% of the First Vendor in SpeedCast;
“First Vendor”	Tech System Limited, a company incorporated under the laws of Hong Kong;
“Group”	the Company and its subsidiaries;
“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;
“Latest Practicable Date”	8 October 2007, being the latest practicable date prior to the printing of this Circular for ascertaining certain information in this Circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Second Agreement”	the share purchase agreement entered into between the Second Vendor and AsiaSat on 31 August 2007 for the purchase by AsiaSat the entire shareholding of 1.26% of the Second Vendor in SpeedCast;
“Second Vendor”	Yahoo! Inc., a company incorporated under the laws of Delaware, United States;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	the shareholders of the Company;
“SpeedCast”	SpeedCast Holdings Limited, a company incorporated in the Cayman Islands with limited liability and its principle business being an investment holding company that owns the entire issued share capital of SpeedCast Limited;
“SpeedCast Limited”	SpeedCast Limited, a wholly-owned subsidiary of SpeedCast incorporated under the laws of the Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transactions contemplated under First Agreement and Second Agreement;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

For the purpose of this Circular, the amounts in US\$ have been converted at HK\$/US\$ exchange rate of 7.80/1.00.

LETTER FROM THE BOARD



Asia Satellite Telecommunications Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1135)

Directors:

MI Zeng Xin* (*Chairman*)
Ronald J. HERMAN, Jr.* (*Deputy Chairman*)
Peter JACKSON (*Chief Executive Officer*)
William WADE (*Deputy Chief Executive Officer*)
John F. CONNELLY*
Mark CHEN*
Nancy KU*
DING Yu Cheng*
JU Wei Min*
KO Fai Wong*
Edward CHEN**
Robert SZE**
James WATKINS**

Registered Office

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Hamilton HM12
Bermuda

Principle Place of Business

17th Floor, The Lee Gardens
33 Hysan Avenue
Causeway Bay
Hong Kong

* *Non-executive Director*

** *Independent Non-executive Director*

10 October 2007

To Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

SHARE PURCHASE AGREEMENT RELATING TO EQUITY INTEREST IN SPEEDCAST HOLDINGS LIMITED

INTRODUCTION

On 31 August 2007, AsiaSat, an indirectly wholly-owned subsidiary of the Company, entered into the First Agreement with the First Vendor and the Second Agreement with the Second Vendor to purchase their entire shareholdings of 23.39% and 1.26% respectively in SpeedCast, for an aggregate consideration of approximately US\$2.96 million (HK\$23.07 million) in cash.

LETTER FROM THE BOARD

The Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. This Circular contains details of the Transaction required to be disclosed under the Listing Rules.

FIRST AGREEMENT AND SECOND AGREEMENT

Date

31 August 2007.

Parties

- First Vendor : Tech System Limited, a shareholder of 23.39% of the issued share capital of SpeedCast;
- Second Vendor : Yahoo! Inc., a shareholder of 1.26% of the issued share capital of SpeedCast; and
- Purchaser : AsiaSat, an indirectly wholly-owned subsidiary of the Company.

Subject matter

Pursuant to the First Agreement and the Second Agreement, AsiaSat purchased from the First Vendor and Second Vendor their entire shareholdings of 23.39% and 1.26% respectively in SpeedCast. Upon completion of the Transaction, the shareholding of AsiaSat in SpeedCast increased from 47.36% to 72.01% and SpeedCast became a subsidiary of AsiaSat.

Consideration

The aggregate consideration of the First Agreement and Second Agreement was approximately US\$2.96 million (HK\$23.07 million) in cash which was funded by the internal resources of AsiaSat and paid upon completion of the Transaction. The completion of the Transaction took place on 31 August 2007. The consideration of the Transaction was negotiated on an arm's length basis having regard to the value of the revenue, assets, profits and the business prospects of SpeedCast.

Information on the Vendors

The Company understood from the First Vendor that it is an investment holding company. The Company also understood from the Second Vendor that it is an internet business company. To the best of the knowledge, information and belief of the Directors, both the First Vendor, the Second Vendor and their ultimate beneficial owner(s) are third party independent of the Company and its connected persons as defined in the Listing Rules.

LETTER FROM THE BOARD

Information on SpeedCast

Established in 2000, the principle business of SpeedCast is an investment holding company which directly owns the entire issued share capital of SpeedCast Limited, a company that provides two way backbone and broadband solutions to a diversified market portfolio in a number of countries. AsiaSat made its initial investment into SpeedCast in April 2000 and gradually increased its shareholding in SpeedCast to 47.36% up to April 2004. There was no change in the shareholding of AsiaSat in SpeedCast since then until the completion of the Transaction on 31 August 2007.

The book value of the total assets and net assets in SpeedCast as at the date of the Transaction were approximately HK\$44 million and HK\$11 million respectively whereas the net profits before and after taxation attributable to the assets of SpeedCast were approximately HK\$0.4 million and HK\$0.4 million respectively for the financial year 2005 and HK\$5.2 million and HK\$5.2 million respectively for the financial year 2006.

REASONS AND BENEFITS OF THE TRANSACTION

The conducting of this Transaction is a step forward in realising the strategic goal of the Company in simplifying the shareholding structure of SpeedCast to allow more flexible funding on SpeedCast to support its further expansion. Following the completion of the Transaction, SpeedCast became an indirect subsidiary of the Company. The earnings, assets and liabilities will be consolidated into the financial statements of the Group and thus will increase the total value of the assets of Group. The Directors believe that the terms of the Transaction are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION TO SHAREHOLDERS

Your attention is drawn to the additional information regarding the Group which is required to be disclosed under the Listing Rules as set out in the Appendix of this Circular.

Yours faithfully
For an on behalf of the Board
MI Zeng Xin
Chairman

1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement contained in this Circular misleading.

2. DISCLOSURE OF INTEREST

(a) Interest of Directors and chief executives in securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or (b) were required pursuant to section 352 of the SFO to be entered in the register referred to therein, or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

(i) *Shares in the Company (including shares under share award scheme described in (ii))*

Name of Director	Capacity	Long or short position	Number of ordinary shares in the Company	Percentage of issued capital
Peter JACKSON	Beneficial owner	Long position	319,784	0.08%
William WADE	Beneficial owner	Long position	87,472	0.02%
James WATKINS	Beneficial owner	Long position	50,000	0.01%

(ii) *Shares under share award scheme (contingent interests awarded but not vested)*

Name of Director	Capacity	Long or short position	Number of ordinary shares awarded	Percentage of issued capital
Peter JACKSON	Beneficial owner	Long position	106,284	0.03%
William WADE	Beneficial owner	Long position	82,472	0.02%

(b) Substantial shareholders

Save as disclosed below, the Directors and chief executive of the Company are not aware that there was any party who, as at the Latest Practicable Date, has an interest or short position in the shares (including options) of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

(iii) Shares in the Company

Name	Capacity	Long or short position	No. of ordinary shares in the Company	%
Bowenvale Limited	Beneficial owner	Long position	268,905,000	68.74
AsiaCo Acquisition Limited	Beneficial owner	Long position	22,269,695 ⁽¹⁾	5.69
Able Star Associates Limited	Interest in controlled corporation	Long position	291,174,695 ^{(1) & (2)}	74.43
CITIC Asia Limited	Interest in controlled corporation	Long position	291,174,695 ^{(1) & (2)}	74.43
CITIC Projects Management (HK) Limited	Interest in controlled corporation	Long position	291,174,695 ^{(1) & (2)}	74.43
CITIC Group	Interest in controlled corporation	Long position	291,174,695 ^{(1) & (2)}	74.43
GE Pacific-3 Holdings, Inc.	Interest in controlled corporation	Long position	268,905,000 ⁽³⁾	68.74
GE Pacific-1 Holdings, Inc.	Interest in controlled corporation	Long position	268,905,000 ⁽³⁾	68.74
GE Pacific-2 Holdings, Inc.	Interest in controlled corporation	Long position	268,905,000 ⁽³⁾	68.74
GE International Holdings Inc.	Interest in controlled corporation	Long position	268,905,000 ⁽³⁾	68.74
GE CFE Luxembourg S.a.r.l.	Interest in controlled corporation	Long position	268,905,000 ⁽³⁾	68.74
GE CFE Luxembourg Holdings L.L.C.	Interest in controlled corporation	Long position	268,905,000 ⁽³⁾	68.74
GE Capital CFE, Inc.	Interest in controlled corporation	Long position	268,905,000 ⁽³⁾	68.74
General Electric Capital Corporation	Interest in controlled corporation	Long position	291,174,695 ^{(1) & (3)}	74.43
General Electric Capital Services, Inc.	Interest in controlled corporation	Long position	291,174,695 ^{(1) & (3)}	74.43
General Electric Company	Interest in controlled corporation	Long position	291,174,695 ^{(1) & (3)}	74.43

Notes:

- (1) AsiaCo Acquisition Limited (“AsiaCo”) controls 5.69% of the voting rights of the Company. AsiaCo is a company owned 50% (as to voting interest) by Able Star (defined below), a wholly-owned subsidiary of CITIC Asia Limited (“CITIC Asia”), which in turn is wholly-owned by CITIC Projects Management (HK) Limited (“CITIC Projects”), a wholly-owned subsidiary of CITIC Group, and 50% owned (as to voting interest) by GE Capital Equity Investments, Inc. (“GE Equity”), a wholly-owned subsidiary of General Electric Capital Corporation (“GECC”), which is a wholly-owned subsidiary of General Electric Capital Services, Inc. (“GECS”), a 99.81% owned subsidiary of General Electric Company (“GE”). Accordingly, Able Star, CITIC Asia, CITIC Projects, CITIC Group, GE Equity, GECC, GECS and GE are deemed to be interested in the 22,269,695 shares in the Company held by AsiaCo.
- (2) Able Star Associates Limited (“Able Star”) controls 50% of the voting rights of Bowenvale Limited (“Bowenvale”). Able Star is wholly-owned by CITIC Asia which in turn is wholly-owned by CITIC Projects, a wholly-owned subsidiary of CITIC Group. Accordingly, Able Star, CITIC Asia, CITIC Projects and CITIC Group are deemed to be interested in the 268,905,000 shares in the Company held by Bowenvale.
- (3) GE Pacific-3 Holdings, Inc. (“Pacific 3”) controls approximately 45% of the voting rights of Bowenvale. Pacific 3 is 50% owned by GE Pacific-1 Holdings, Inc. (“Pacific 1”) and 50% owned by GE Pacific-2 Holdings, Inc. (“Pacific 2”). Both Pacific 1 and Pacific 2 are wholly-owned by GE International Holdings Inc. (“GE International”), which is approximately 96% owned by GE CFE Luxembourg S.a.r.l., (“GE S.a.r.l.”), a wholly-owned subsidiary of GE CFE Luxembourg Holdings L.L.C. (“GE Holdings”) which in turn is wholly-owned by GE Capital CFE, Inc. (“GE Capital”), a wholly-owned subsidiary of GECC, a wholly-owned subsidiary of GECS, which in turn is a 99.8% owned subsidiary of GE. Accordingly, Pacific 3, Pacific 1, Pacific 2, GE International, GE S.a.r.l., GE Holdings, GE Capital, GECC, GECS and GE are deemed to be interested in the 268,905,000 shares in the Company held by Bowenvale.

(c) Directors' interests in competing businesses

Ronald J. HERMAN, Jr., Mark CHEN and Nancy KU are senior executives and/or are directors of certain subsidiaries of GE, a substantial shareholder of Bowenvale which in turn is the substantial shareholder of the Company. GE has substantial interests in GE International Holdings, Inc., operator of a satellite, GE-23, which could be viewed as competing to some extent with the business of the Company as they provide transponder capacity to certain Asia Pacific countries and areas that are also served by the Company.

(d) Service contracts

Peter JACKSON, an Executive Director and the Chief Executive Officer of the Company entered into a service contract with the Company on 5 June 1996 for an initial term of three years from 18 June 1996 to 17 June 1999 and thereafter, the contract shall continue unless or until terminated by either party in writing giving to the other not less than twelve calendar months' notice in writing to expire on or at any time after the end of the initial 3-year period.

William WADE, an Executive Director and the Deputy Chief Executive Officer of the Company entered into a service contract with the Company on 3 June 1996 for an initial term of two years from 18 June 1996 to 17 June 1998 and thereafter, the contract shall continue unless or until terminated by either party in writing giving to the other not less than six calendar months' notice in writing to expire on or at any time after the end of the initial 2-year period.

3. LITIGATION

Save as those disclosed below, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and the Directors are not aware of any litigation or claim of material importance pending or threatened by or against the Company or any of its subsidiaries.

There is a litigation action between AsiaSat and the Indian tax authorities over AsiaSat's liability under the Indian tax regulation. The Indian tax authorities have made claim against AsiaSat on the basis that AsiaSat should be liable to Indian income tax on revenues received in respect of income from the provision of satellite transponder capacity to the AsiaSat's customers for purposes of those customers carrying on business in India or earning income from any source in India.

The Indian tax authorities have assessed the income tax for AsiaSat at approximately HK\$58 million for the assessment year 2004-2005 alone and at an accumulated sum of approximately HK\$254 million since the assessment year 1997-1998 to the date of this disclosure. No assessment has yet been made for the assessment years 2005-2006 or 2006-2007 assessment years.

AsiaSat has filed appeals for each of the assessment years from 1997-1998 to 2004-2005. In an earlier appeal filed against the original assessment for the assessment year 1997-1998, the Income Tax Appellate Tribunal (the “Tribunal”) had ruled that the Company is liable for Indian income tax under certain circumstances. AsiaSat, however, has opposed to this decision of the Tribunal and has filed an appeal against the Tribunal’s decision.

4. MISCELLANEOUS

- (a) The company secretary, and the qualified accountant, of the Company is Sue Yeung, who is a member of the Institute of Chartered Accountants in England and Wales and a fellow member Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is Canon’s Court, 22 Victoria Street, Hamilton HM12, Bermuda.
- (c) The head office of the Company is 17th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (d) The principal share registrars of the Company are Butterfield Fund Services (Bermuda) Limited, whose registered office is at Rosebank Centre, 11 Bermudiana Road, Hamilton, Bermuda and the Hong Kong branch registrars and transfer office of the Company are Computershare Hong Kong Investor Services Limited, whose registered office is at Hopewell Centre, 46th Floor, 183 Queen’s Road East, Wanchai, Hong Kong.
- (e) The English text of this Circular shall prevail over the Chinese text.