



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
MARKET REGULATION

March 1, 2007

Thomas B. Shropshire, Jr., Esq.
Linklaters
One Silk Street
London EC2Y 8HQ
England

Re: Cash Offer by way of a Scheme of Arrangement and Potential Mandatory General Offer for Shares of Asia-Satellite Telecommunications Holdings Limited
File No. TP 07-44

Dear Mr. Shropshire:

This is in response to your letter dated March 1, 2007. A copy of that letter is attached with this response. By including a copy of your correspondence, we avoid having to repeat or summarize the facts you presented. The defined terms in this letter have the same meaning as in your letter, unless otherwise noted.

On the basis of your representations and the facts presented in your letter, the United States Securities and Exchange Commission ("Commission") hereby grants an exemption from Rule 14e-5 under the Securities Exchange Act of 1934 ("Exchange Act") to permit (a) the purchase of Y Ordinary Shares and the acquisition of a beneficial interest in AsiaSat Shares by GECC pursuant to the Exchange Transaction, (b) arrangements to purchase AsiaSat Securities by Bidco pursuant to the terms and conditions of the Scheme, and (c) purchases of, and arrangements to purchase, AsiaSat Shares (following the Scheme Meetings) by the Prospective Purchasers otherwise than pursuant to the MGO, particularly in light of the following facts:

- AsiaSat, a company incorporated with limited liability in Bermuda, is a "foreign private issuer," as defined in Rule 3b-4(c) under the Exchange Act;
- The MGO is required to be conducted in accordance with the Hong Kong Code on Takeovers and Mergers (the "Code") and the SEHK Listing Rules;
- Any purchases of AsiaSat Shares by the Prospective Purchasers will be subject to the Code, which among other things requires that the MGO price be increased to match any purchases made outside the MGO at a price higher than the MGO price;
- As a result of the limited extension granted by the SFC in the context of the Transactions, the MGO will only commence in the event the Scheme does not succeed and, therefore, the Scheme and MGO will not occur simultaneously; and

- The existence of the Memorandum of Understanding between the Commission and the Hong Kong Securities and Futures Commission Concerning Consultation and Cooperation in the Administration and Enforcement of Securities Laws, dated October 5, 1995.

The Commission grants this exemption from Rule 14e-5 under the Exchange Act subject to the following conditions:

1. No purchases or arrangements to purchase AsiaSat Securities, otherwise than pursuant to the Transactions, will be made in the United States;
2. The Prospective Purchasers will not make any purchases or arrangements to purchase AsiaSat Shares (including any purchases or arrangements to purchase such shares pursuant to the Exchange Transaction) at a price higher than the price to be offered to all holders of AsiaSat Securities pursuant to the MGO (other than arrangements to purchase AsiaSat Securities pursuant to the Scheme);
3. The Offer Documents shall disclose prominently the possibility of, or the intention to make, purchases of AsiaSat Shares by the Prospective Purchasers otherwise than pursuant to MGO;
4. The Prospective Purchasers shall disclose in the United States information regarding purchases of AsiaSat Shares by the Prospective Purchasers otherwise than pursuant to the MGO to the extent such information is made public in Hong Kong pursuant to the Code;
5. The Prospective Purchasers shall comply with the applicable laws of Hong Kong and any applicable rules of Hong Kong organizations, including the Code and SEHK Listing Rules;
6. The Prospective Purchasers shall provide to the Division of Market Regulation ("Division"), upon request, a daily time-sequenced schedule of all purchases of AsiaSat Shares made by any of the Prospective Purchasers otherwise than pursuant to the MGO, on a transaction-by-transaction basis, including:
 - a. size, broker (if any), time of execution, and price of purchase; and
 - b. if not executed on the Hong Kong Stock Exchange, the exchange, quotation system, or other facility through which the purchase occurred;
7. Upon the request of the Division, the Prospective Purchasers shall transmit the information as specified in paragraphs 6.a. and 6.b. above to the Division at its offices in Washington, D.C. within 30 days of its request;
8. The Prospective Purchasers shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of the completion of the MGO;
9. Representatives of the Prospective Purchasers shall be made available (in person at the offices of the Division in Washington, D.C. or by telephone) to respond to inquiries of the Division relating to their records; and
10. Except as otherwise exempted herein, the Prospective Purchasers shall comply with Rule 14e-5.

Thomas B. Shropshire, Jr., Esq.

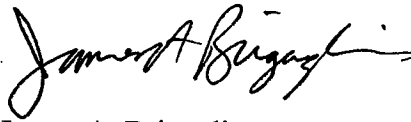
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The foregoing exemption from Rule 14e-5 under the Exchange Act expressed above is based solely on your representations and the facts presented, and is strictly limited to the application of this rule to the proposed transactions. Such transactions should be discontinued, pending presentation of the facts for our consideration, in the event that any material change occurs with respect to any of those facts or representations.

In addition, we direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 10(b) and 14(e) of the Exchange Act and Rule 10b-5 thereunder. The participants in the Transactions must comply with these and any other applicable provisions of the federal securities laws. The Division expresses no view with respect to any other questions that the proposed transactions may raise, including, but not limited to, the adequacy of disclosure concerning, and the applicability of any other federal or state laws to, the proposed transactions.

For the Commission, by the Division of Market
Regulation pursuant to delegated authority,



James A. Brigagliano
Associate Director
Division of Market Regulation

Attachment

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United States of America

March 1, 2007

Our Ref TBS

Cash Offer by way of a Scheme of Arrangement and Potential Mandatory General Offer for Shares of Asia Satellite Telecommunications Holdings Limited

Dear Mr. Brigagliano,

We are writing on behalf of CITIC Group, an enterprise organized and existing under the laws of the People's Republic of China ("**CITIC**"), General Electric Capital Corporation, a corporation incorporated under the laws of the State of Delaware ("**GECC**") and part of the General Electric Company group, and AsiaCo Acquisition Ltd., a private limited company incorporated in the British Virgin Islands ("**Bidco**") indirectly and wholly owned by CITIC and GECC (collectively with Bidco, the "**Parties**").

In this letter, we hereby respectfully inform the Staff (the "**Staff**") of the Securities and Exchange Commission (the "**Commission**") that the Parties intend to engage in a series of transactions (collectively, the "**Transactions**") which, if successful, will result in the acquisition of the remaining outstanding share capital of Asia Satellite Telecommunications Holdings Limited, a company incorporated with limited liability in Bermuda ("**AsiaSat**"), that is not already owned by Bowenvale Limited, a limited liability company organized under the laws of the British Virgin Islands ("**Bowenvale**"). The Transactions (described in greater detail below) are being structured to comply with the rules and regulations applicable in Hong Kong and the United States, including Sections 14(d) and 14(e) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and Rule 13e-3 and Regulations 14D and 14E thereunder.

As a result of the structure of the Transactions and in order to permit the Parties to engage in the Transactions without violating the rules and regulations noted above, we hereby respectfully request that the Commission grant exemptive relief under Rule 14e-5 under the Exchange Act to permit (a) the purchase of the Y Ordinary Shares (as defined below) and the acquisition of a beneficial interest in AsiaSat Shares (as defined below) by GECC as a result of the Exchange Transaction (as defined below), (b) arrangements to purchase AsiaSat Securities (as defined below) by Bidco pursuant to the terms and conditions of the Scheme (as defined below) and (c) purchases of, and arrangements to purchase, AsiaSat Shares (as defined below) by or on behalf

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of the Parties otherwise than pursuant to the MGO (as defined below), in each case, subject to the restrictions set out herein.

Background to the Transactions

AsiaSat

AsiaSat is headquartered in Hong Kong and is a foreign private issuer as defined in Rule 3b-4(c) under the Exchange Act (a "**foreign private issuer**"). AsiaSat has its shares of common stock, par value HK\$0.10 per share (the "**AsiaSat Shares**"), and American Depositary Receipts ("**ADRs**", together with the AsiaSat Shares, the "**AsiaSat Securities**") registered under Section 12 of the Exchange Act. The AsiaSat Shares are listed and traded on The Stock Exchange of Hong Kong Limited (the "**SEHK**") and the ADRs are listed and traded on The New York Stock Exchange. Each ADR represents an American Depositary Share, which each evidences ownership of ten AsiaSat Shares. The ADR facility is sponsored and operated by The Bank of New York, as depositary (the "**Depositary**").

AsiaSat, through a wholly owned subsidiary ("**AsiaSub**"), is a leading provider of satellite transponder capacity to the Asian broadcasting and telecommunications market. AsiaSub operates a satellite system, which currently operates three in-orbit satellites providing satellite access to more than 50 countries and regions across the Asia-Pacific. For the financial year ended December 31, 2005, AsiaSat had sales of approximately HK\$879.7 million (\$112.8 million) and after-tax profit of approximately HK\$365.4 million (\$46.8 million). In addition, at the end of 2005, it employed 95 people.

Approximately 68.9% of AsiaSat's share capital is held by Bowenvale and the remainder is publicly traded. Bowenvale's principal shareholders are CITIC, which indirectly owns 49.5% of its share capital, and SES, S.A., a company organized under the laws of the Grand Duchy of Luxembourg ("**SES**"), which also indirectly owns 49.5% of Bowenvale's share capital. The remaining 1% of Bowenvale's share capital is indirectly held by CITIC, but is held in the form of non-voting shares. In addition, four members of AsiaSat's board of directors are employed by CITIC and four members are employed by SES. Neither CITIC nor SES directly hold any AsiaSat Securities.

Based on an analysis of publicly available information (including AsiaSat's most recent Annual Report on Form 20-F filed with the Commission on June 19, 2006) and certain shareholder information provided by AsiaSat, the Parties believe that: (i) there are approximately 390.3 million AsiaSat Securities issued and outstanding (including in the form of ADRs) (the "**Issued Share Capital**"); (ii) Bowenvale is the largest holder of AsiaSat Securities; (iii) no other person holds 10% or more of the Issued Share Capital; and (iv) US holders own (beneficially or otherwise) approximately 33.4 million AsiaSat Securities (including in the form of ADRs).

Based on the foregoing and calculated in accordance with Instruction 2 to Rules 14d-1(c) and (d) under the Exchange Act, the Parties estimate that approximately 27.5% of the Issued Share Capital is beneficially held in the United States. In the event that the MGO ultimately commences, the Parties intend to rely on the exemption afforded by Rule 14d-1(d) (the "**Tier II Exemption**") for that transaction.¹

CITIC Group

CITIC is a conglomerate owned by government of The People's Republic of China (the "**PRC**"), the original purpose of which was to attract foreign capital and technology to the PRC for the

¹ If any of the Parties discover information about the US beneficial ownership of AsiaSat Securities that is materially different from the information and estimates set forth above, it will disclose such information to the Commission promptly.

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modernization of its various industries. CITIC has now grown into a transnational conglomerate with 44 subsidiaries in Hong Kong, the United States, Canada and Australia, encompassing financial institutions (currently representing more than 80% of its assets), industrial concerns (including telecommunications, resources, energy and manufacturing), real estate and service companies (including construction and advertising). For the financial year ended December 31, 2005, CITIC had total assets of approximately Yuan 799.4 billion (\$103.0 billion) and after-tax profit of Yuan 4.68 billion (\$603.1 million). CITIC does not currently have any securities that have been registered with the Commission under Section 12 of the Exchange Act or are otherwise subject to the reporting requirements thereunder. None of CITIC's equity securities is listed on any securities exchange.

SES S.A.

SES is a foreign private issuer and has its shares listed on the Luxembourg Stock Exchange and Euronext Paris (symbols: "SESG"). SES is a satellite services provider, owning and operating through subsidiaries the ASTRA satellite system covering Europe and Africa and a satellite fleet covering North and South America. SES also owns stakes in satellite systems serving Asia, Latin America and Scandinavia. For the financial year ended December 31, 2005, SES had revenues of approximately €1.26 billion (\$1.63 billion) and net income of €382 million (\$495.0 million). In addition, at the end of 2005, SES had 1,102 employees globally.

GECC currently owns approximately 103.1 million of SES' class C shares (the "**SES Shares**"), representing approximately 15.6% of SES' voting share capital and approximately 19.5% of the economic rights in SES. The remaining SES share capital is held by the public and by or on behalf of the government of Luxembourg.

Bowenvale Limited

Bowenvale is a joint venture indirectly owned by CITIC and SES. Bowenvale has three classes of share capital – "**X Ordinary Shares**" (representing 49.5% of its share capital), "**Y Ordinary Shares**" (representing 49.5% of its share capital) and "**Special Shares**" (representing 1% of its share capital). Currently, CITIC is the beneficial owner of the X Ordinary Shares and SES is the beneficial owner of the Y Ordinary Shares. The X and Y Ordinary Shares have full and equal rights to vote, receive dividends and receive capital upon the winding up of Bowenvale. CITIC is also the beneficial owner of the Special Shares, which have no voting rights. As mentioned above, Bowenvale currently holds approximately 68.9% of AsiaSat's entire share capital.

Pursuant to an agreement dated February 13, 2007 between SES and GECC (and their affiliates) (the "**Exchange Agreement**"), subject to certain conditions explained in greater detail below, SES proposes to redeem GECC's entire beneficial shareholding in SES (approximately 19% of SES' issued share capital) in exchange for the stock of a newly incorporated company, SES International Holdings ("**SIH**"), that will hold cash and a number of assets, among which are the Bowenvale Y Ordinary Shares that SES will transfer to SIH (the "**Exchange Transaction**").

General Electric Capital Corporation

GECC is a wholly owned subsidiary of General Electric Capital Services, Inc., a corporation incorporated in the State of Delaware, which itself is wholly owned (directly or indirectly) by General Electric Company, a corporation incorporated in the State of New York ("**General Electric**"). GECC is a global, diversified financial services company engaged in commercial finance, consumer finance and equipment services and production. With assets of approximately \$500 billion, GE Capital serves consumers and businesses in more than 50 countries around the world. According to GECC's Annual Report on Form 10-K for the financial year ended December

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31, 2005, GECC's revenues for the period were \$55.5 billion, and it achieved net earnings of \$9.6 billion. As at the end of 2005, GECC had approximately 77,500 employees globally.

GECC has securities registered with the Commission under the Exchange Act and is subject to the reporting requirements thereof.

AsiaCo Acquisition Limited

Bidco is wholly owned, indirectly, by CITIC and GECC. CITIC is the beneficial owner of 50% of Bidco's voting share capital and the other 50% of the voting share capital is indirectly beneficially owned by GECC; however, in economic terms, CITIC will have a 50.5% interest while GECC will have an indirect 49.5% interest. The directors of Bidco are: Mi Zengxin, Ju Weimin and Ko Fai Wong (each appointed by CITIC); and Ronald J. Herman Jr., Nancy Ku and Mark Chen (each appointed by GECC). Each Bidco director also plays an active day-to-day role in the senior management of CITIC or GECC, or their respective affiliates, as the case may be. Bidco has been tailored solely for the purpose of effecting the Scheme described herein and has no other business activities.

The Transactions

The Exchange Transaction

As mentioned above, SES and GECC have entered into the Exchange Agreement pursuant to which SES will redeem, subject to satisfaction or waiver of all conditions in the Exchange Agreement,² the SES Shares held by GECC's affiliates in exchange for the stock of SIH, which will hold cash and several SES assets, including the Y Ordinary Shares of Bowenvale. The Exchange Transaction was publicly announced on February 13, 2007. On completion of the Exchange Transaction, GECC will obtain a 49.5% stake in Bowenvale and, as a result, a 34.1% indirect stake in AsiaSat.

We understand that SES and GECC have been informed by The Hong Kong Securities and Futures Commission (the "SFC") that the completion of the Exchange Transaction will result in the formation of a new "concert group" which has statutory control of AsiaSat, therefore triggering under the Hong Kong Code on Takeovers and Mergers (the "Code") an obligation for CITIC and GECC to commence an unconditional mandatory general offer (the "MGO") for the remaining AsiaSat Shares not already held by Bowenvale.³ However, in the context of the Transactions, the SFC has agreed that it would be better to know the outcome of the Court Meeting and Special General Meeting (together, the "Scheme Meetings") before the MGO commences. Therefore, the SFC has confirmed it is prepared to grant an extension to the deadline for commencement of the MGO in order to accommodate the Scheme Meetings timetable.⁴

To the extent that the MGO is required to proceed following the Scheme Meetings, such offer would be extended into the United States and, subject to the relief requested herein, would need to comply with the Code and Sections 14(d) and 14(e) and Regulations 14D and 14E under the Exchange Act. In addition, since CITIC and GECC could reasonably be considered "affiliates" (as defined in Rule 13e-3(a)(1) under the Exchange Act) of AsiaSat, and, if successful, the MGO could ultimately result in the "de-registration" of AsiaSat under the Exchange Act and the delisting of the

² The conditions include regulatory approvals, SES shareholder approval and receipt of certain tax rulings.

³ This obligation will be triggered under Rule 26 of the Code when GECC completes the Exchange Transaction and acquires, via Bowenvale, 30% or more of the voting share capital of AsiaSat.

⁴ The duration of the extension will be reviewed and determined in the context of the Scheme document which will be despatched to all holders of AsiaSat Securities and which will set out an expected timetable, including the Scheme Meeting dates.

ADRs from The New York Stock Exchange, the MGO would also constitute a "going-private" transaction and therefore must comply with Rule 13e-3 under the Exchange Act.

The Scheme of Arrangement

On the same day that the Exchange Transaction was announced, Bidco and AsiaSat made a joint announcement (the "**Joint Announcement**") of a proposed privatization of AsiaSat by Bidco by way of a cash scheme of arrangement (the "**Scheme**")⁵ under Section 99 of The Companies Act 1981 of Bermuda (the "**Companies Act**").⁶ The execution of the Scheme will constitute a voluntary general offer (a "**VGO**") under the Code and the share proposal ("**Share Proposal**") submitted under the Scheme is subject to a number of conditions.⁷ In the Joint Announcement, Bidco has offered to pay HK\$18.30 per AsiaSat Share and HK\$180.30 per ADR (the "**Scheme Price**"), which represents a price of \$23.42 per AsiaSat Share and \$234.20 per ADR at the exchange rate in effect on the date of the Joint Announcement. The Scheme price represents an approximately 32.2% premium over the 30-day average market price of the AsiaSat Shares prior to the Joint Announcement, or a premium of 22.0% over the highest AsiaSat Share price in the last year, and a 14.4% premium to the Minimum MGO Price.

The Scheme is court-based statutory procedure pursuant to the Companies Act whereby AsiaSat requests its shareholders to approve,⁸ in a court-convened meeting, a resolution resulting in, *inter alia*, the cancellation of the AsiaSat Shares that are subject to the Scheme ("**Scheme Shares**"), the payment of cash consideration to holders of the Scheme Shares and the issue of new AsiaSat Shares equalling the number of cancelled Scheme Shares to Bidco. As a result, Bidco will acquire all the AsiaSat Shares not held by or on behalf of CITIC and GECC (i.e., the remaining shares of AsiaSat not already owned by Bowenvale will be transferred to Bidco).

Once the conditions of the Scheme have been met (described further below in footnote 6) and the Scheme has become effective, it will be binding not only upon those holders of Scheme Shares who voted in favor of the Scheme, but also upon all holders of Scheme Shares. Upon the closing

⁵ A scheme of arrangement is a compromise or arrangement between a Bermuda company and its shareholders or any class of them and is commonly employed in Bermuda and in other jurisdictions (such as the United Kingdom) as an alternative to a tender offer for effecting agreed takeovers and privatizations.

⁶ As required by the SFC, the announcement also contained certain disclosure about the possible MGO, including a minimum potential offer price for the MGO of HK\$16.00 per AsiaSat Share (equivalent to HK\$160.00 per ADR) (the "**Minimum MGO Price**"). The Parties do not intend to announce the final timing of the MGO or a firm MGO offer price (the "**final MGO offer price**") until such time as the Exchange Transaction completes and the obligation to commence the MGO arises.

⁷ The principal conditions of the Share Proposal under the Scheme are: (a) the approval of the Scheme by a majority in number of the holders of the Scheme Shares on the applicable record date (the "**Scheme Shareholders**") representing not less than three-fourths in value of the Scheme Shares, present and voting either in person or by proxy at the court meeting convened by the Supreme Court of Bermuda (the "**Supreme Court**") of Bermuda (the "**Court Meeting**"), provided that: (i) the Scheme is approved by at least 75% of the votes attaching to Scheme Shares held by holders of AsiaSat Shares (other than those held by or behalf of CITIC and GECC) (the "**Independent Shareholders**") cast either in person or by proxy at the Court Meeting (by way of poll), and (ii) the number of votes cast against the resolution to approve the Scheme at the Court Meeting (by way of poll) is not more than 10% of the votes attaching to all Scheme Shares held by Independent Shareholders; (b) the passing of a special resolution to approve and give effect to the cancellation of the Scheme Shares and the reduction of the relevant portion of the issued share capital of AsiaSat by a majority of not less than three-fourths of the votes cast by the Scheme Shareholders present and voting in person or by proxy, at a special general meeting (the "**Special General Meeting**"); (c) the sanction of the Scheme (with or without modifications) by the Supreme Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Supreme Court for registration; (d) confirmation from the Hong Kong Office of the Telecommunications Authority that combination will not have, or be likely to have, the effect of substantially lessening competition in a telecommunications market in Hong Kong as referred to in Section 7P of the Telecommunications Ordinance and (e) closing of the Exchange Transaction. The Scheme conditions will have to be fulfilled or waived, as applicable, on or before June 30, 2007 (or such later date as Bidco and AsiaSat may agree or (to the extent applicable) as the Supreme Court may direct and as may be permitted by the Code), failing which the Scheme will lapse.

⁸ Bidco and AsiaSat will make arrangements with the Depositary to enable the holders of ADRs to be able to vote in person or via proxy at the Court Meeting and the Special General Meeting.

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of the Exchange Transaction, Bowenvale will become indirectly wholly owned by CITIC and GECC. Upon the Scheme becoming effective, the Scheme Shares will be cancelled, the New Shares paid up and issued to Bidco, and AsiaSat will become wholly owned, directly or indirectly, by CITIC and GECC. The Parties will own (through Bidco and through their existing ownership of Bowenvale) 100% of AsiaSat's issued share capital and will cause AsiaSat to be "de-registered" under the Exchange Act and the ADRs to be delisted from The New York Stock Exchange. As a result of the foregoing and the relationship of the Parties to AsiaSat, the Scheme will also constitute a "going-private" transaction and will comply with Rule 13e-3 under the Exchange Act.

The Mandatory General Offer

As noted above, the SFC has informed CITIC and GECC that completion of the Exchange Transaction will trigger an obligation under Rule 26.2 of the Code to commence an MGO following completion of the Scheme Meetings. However, the Parties will not commence the MGO unless the Scheme is determined unsuccessful following the Scheme Meetings.

Once commenced, the MGO will be an unconditional cash offer extended to all holders of the remaining AsiaSat Securities not held by or on behalf of CITIC and GECC. The MGO will comply with the relevant provisions of the US tender offer rules (except as exempted by the Tier II Exemption and the relief requested herein), including remaining open for acceptance for at least 20 US business days from commencement in accordance with Rule 14e-1(a), providing shareholders with withdrawal rights until such time as their AsiaSat Securities have been accepted for payment, complying with the extension provisions of Rule 14e-1(b), making payment for the AsiaSat Securities tendered "promptly" within the meaning of Rule 14e-1(c),⁹ and the provisions of Rule 13e-3.

In the context of its consideration of the Exchange Transaction, the SFC has mandated that the price paid by the Parties for the remaining AsiaSat Shares cannot be lower than the MGO Minimum Price, which is equivalent to the price at which GECC is acquiring the Y Ordinary Shares of Bowenvale.¹⁰

In addition to being required to make an offer for the AsiaSat Securities, the Parties are required to make a simultaneous offer for all outstanding options over AsiaSat Securities. However, based on the information available to us, the Parties do not believe that there are any options held (beneficially or otherwise) by US holders, and as a result, the Parties intend to rely on the exemption afforded by Rule 14d-1(c) under the Exchange Act for the conduct of such offer.

Exemptive Relief Requested

Rule 14e-5 under the Exchange Act

As stated earlier, the SFC has required the Joint Announcement to contain certain information about the potential MGO, including the Minimum MGO Price. As a result, we are adopting the position that the prohibitions of Rule 14e-5 apply from the date of such announcement, irrespective

⁹ In accordance with the provisions of the Code, the Parties intend to make payment of AsiaSat Securities validly tendered within 10 calendar days of the tender.

¹⁰ The SFC has taken the position that since the MGO will be triggered by the completion of the Exchange Transaction, the consideration offered in the MGO should be determined by reference to the Exchange Transaction. As discussed above, the Exchange Transaction contemplates SES' redemption of GECC's SES shareholdings in SES in exchange for the shares of SIH, whose assets include SES' entire holding of the Bowenvale Y Ordinary Shares, which represent an indirect interest in AsiaSat. Thus, the consideration for the Y Ordinary Shares will be SES shares. On the basis that the Y Ordinary Shares are proxies for AsiaSat Shares (since Bowenvale holds no other assets or business interests besides the AsiaSat shares and Bowenvale's capital structure is such that each Y Ordinary Share represents one AsiaSat Share), the consideration paid for the Y Shares is the reference for the consideration to be paid for AsiaSat Shares under the MGO.

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of any subsequent announcement relating to the MGO that would contain the final MGO offer price.

Rule 14e-5, subject to certain exceptions, prohibits a "covered person" to, directly or indirectly, purchase or arrange to purchase any equity securities in the target company or any securities immediately convertible into, exchangeable for or exercisable for equity securities in the target company, except as part of the tender offer. This prohibition applies from the time of public announcement of the tender offer until the tender offer expires. "Covered person" is defined as (a) the offeror and its affiliates; (b) the offeror's dealer-manager and its affiliates; (c) any advisor to any of the foregoing, whose compensation is dependent on the completion of the offer; and (d) any person acting, directly or indirectly, in concert with any of the persons specified above.

We believe that (i) the purchase of the Y Ordinary Shares by GECC and, hence, its acquisition of a beneficial interest in AsiaSat Shares and (ii) Bidco's arrangements to purchase the Scheme Shares pursuant to the Scheme each could be considered to be a violation of Rule 14e-5 since the prospective MGO will have been previously announced.

However, we do not believe that the issues which Rule 14e-5 seeks to address, including unequal treatment amongst shareholders, are present in the context of the Transactions.

In particular, since the Parties will not commence the MGO prior to completion of the Scheme Meetings, we do not believe that the price differential between the Scheme and the MGO should preclude the Staff from granting the exemptive relief requested herein because all similarly situated holders of AsiaSat Securities will be treated equally and will ultimately receive the same consideration (i.e., either the Scheme Price in the context of the Scheme or, in the event that the Scheme is unsuccessful, the final MGO price in the context of the MGO).

Furthermore, in the event the MGO proceeds, since the MGO Minimum Price is equivalent to the imputed price to be paid for the acquisition of the Y Ordinary Shares by GECC (and will under no circumstances be higher than the final MGO offer price) there is no risk to the MGO participants of getting paid a lesser amount for their Aries Securities than the imputed price paid by GECC to SES in the Exchange Transaction.

In addition, we believe that the strict application of Rule 14e-5 in these circumstances would result in the unintentional frustration of the Exchange Transaction and the MGO. Specifically, we respectfully note to the Staff, that the issue under Rule 14e-5 only arises as a result of the SFC's requirement to announce the proposed MGO at the outset of the Exchange Transaction, the completion of which is expected to trigger the obligation to commence the MGO; and, to the extent that the Exchange Transaction were unable to be completed due to the application of Rule 14e-5, the MGO would not ultimately commence. We do not believe that such result is what the language of Rule 14e-5 was intended to achieve and, in such circumstances, limited relief from its strict application is merited.

In the context of the Scheme, we are of the belief that the strict application of Rule 14e-5 would act to prejudice holders from receiving the premium to be paid in the Scheme and to not have the ability to exercise their rights as AsiaSat shareholders. Furthermore, we believe that the relief requested herein is similar to the relief granted to Parties conducting dual tender offers.¹¹ Lastly, we are of the belief that the inherent structure of the Scheme and the Court approval of the

¹¹ See, e.g., Offer by Amersham International PLC for Shares and ADSs of Nycomed ASA (September 19, 1997) (Rule 10b-13 (old Rule 14e-5) exemption given based on voluntary compliance with UK City Code on Takeovers and Mergers); see also Rizzoli Corriere della Sera Medical Group S.p.A., Fila Holding S.p.A. (July 28, 2003); Southern Cross' partial offer for shares and ADSs of Telex-Chile S.A. (March 5, 2002); Proposed Exchange Offer by Technip, S.A., for all of the outstanding ordinary shares and American Depositary Shares of Coflexip, S.A. (August 30, 2001).

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fairness of the terms and conditions of the offer ensures procedural and substantive fairness to AsiaSat shareholders.

As a result of the foregoing, we are of the opinion that exemptive relief from the application of 14e-5 would be appropriate to permit (i) GECC to purchase the Y Ordinary Shares and, hence, acquire a beneficial interest in AsiaSat Shares upon completion of the Exchange Transaction and (ii) Bidco to make arrangements to purchase the Scheme Shares pursuant to the Scheme.

In addition, in accordance with the Code and the rules and regulations of the SEHK, the Parties and persons acting on their respective behalves may also want to make open-market or privately negotiated purchases outside of the prospective MGO outside the United States following the Scheme Meetings, while the MGO remains open for acceptance. Although such purchases would be permissible under the Code and the rules and regulations of the SEHK, absent the relief requested herein, such purchases would be prohibited by Rule 14e-5 from the announcement date for the prospective MGO until the termination or expiration of the MGO.

In Hong Kong, however, purchases outside a tender offer are permitted, subject to certain limitations. Under Rule 24 of the Code, Bidco, acting directly and through parties acting in concert with it, would be permitted to purchase the AsiaSat Shares in the open market or otherwise prior to and during the conduct of, but outside the terms of, the MGO, subject to certain limitations including as to price. In addition, under Rule 24.1 of the Code, AsiaSat Shares purchased pursuant to the MGO would be purchased at a price no lower than that for any purchase of AsiaSat Shares made outside the MGO.

The Code (through the provisions of Rule 24) provides protections similar to those provided by Rule 14e-5, which in our opinion makes exemptive relief appropriate in the circumstances of the MGO. For example, if the Parties (or persons acting in concert with Parties for purposes of the MGO) acquire AsiaSat Shares at a higher price than is available under the MGO, Bidco must then increase the MGO to the highest price paid by it for AsiaSat Shares or by any person acting in concert with Bidco for purposes of the MGO has paid. In addition, under Rule 22 of the Code, any purchases outside the MGO will be required to be disclosed on a next-day basis to the SEHK, the Takeovers Panel and the press, and are available for public inspection on the website of the SFC. Disclosures of these purchases attract significant public attention by their very nature, and are disseminated on dealers' screens throughout the Hong Kong market.

Furthermore, the formal offer document (the "**Offer Document**"), if and when posted, would contain a statement that, subject to obtaining the relief requested in this letter, the Parties (or persons acting in concert with the Parties for purposes of the MGO) or its or their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase AsiaSat Shares outside of the United States during the period in which the MGO remains open for acceptances, but outside the terms of the MGO. The Offer Document will further state that in accordance with the requirements of Rule 14e-5 and with any exemptive relief that may be granted by the Commission, such purchases, or arrangements to purchase, must comply with applicable Hong Kong rules, including the Code and the rules of the SEHK.

As a result of the foregoing, we are of the opinion that exemptive relief from the application of 14e-5, subject to the restrictions set out below, would be appropriate in the context of the Transactions and is consistent with previous exemptive requests granted by the Commission.¹²

¹² See, e.g., Offer by PetroChina Company Limited for H Shares of Jilin Chemical Industrial Company Limited (December 21, 2005); Offer by Profit Eagle Limited for the shares of Superdata Software Holdings Limited (October 11, 2005); Offer by an indirect wholly owned subsidiary of SABMiller PLC for the shares of Harbin Brewery Group Limited (May 10, 2004); Possible Offer by Anheuser-Busch Companies, Inc. for Harbin Brewery Group Limited (May 7, 2004).

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Although there are, in our view, serious doubts as to whether the jurisdictional predicate for the application of the Exchange Act – namely that there be a purchase of a security “by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange” – would be satisfied if the Parties, their respective advisors, or financial institutions acting on their behalves made purchases of AsiaSat Shares outside the United States, we nonetheless apply, on behalf of such persons, for exemptive relief for such purchases from the provisions of Rule 14e-5. We have been requested by the Parties to emphasize that this letter does not reflect an admission that Rule 14e-5 would apply to such purchases of AsiaSat Shares outside the United States in the absence of such exemptive relief.

Requested Exemptive Relief

Based on the foregoing, we hereby respectfully request that the Commission grant exemptive relief under Rule 14e-5 under the Exchange Act to permit (a) the purchase of the Y Ordinary Shares and the acquisition of a beneficial interest in AsiaSat Shares by GECC as a result of the Exchange Transaction, (b) arrangements to purchase AsiaSat Securities by Bidco pursuant to the terms and conditions of the Scheme and (c) purchases of, and arrangements to purchase, AsiaSat Shares outside the MGO following the Scheme Meetings, by any of the Parties and any adviser, broker or other financial institution acting as one of their respective agents (the “**Prospective Purchasers**”) which would otherwise be prohibited by Rule 14e-5, subject to the following conditions:

- (a) the Parties will not commence¹³ the MGO prior to completion of the Scheme Meetings;
- (b) no purchases or arrangements to purchase AsiaSat Securities by the Prospective Purchasers, otherwise than pursuant to the Transactions, will be made in the United States;
- (c) disclosure of the possibility of, or intention to make, purchases or arrangements to purchase AsiaSat Shares by the Prospective Purchasers, otherwise than pursuant to the MGO, will be prominently included in the Offer Documents;
- (d) the Prospective Purchasers shall disclose in the United States information regarding purchases of AsiaSat Shares by the Prospective Purchasers, otherwise than pursuant to the MGO, to the extent such information is made public in Hong Kong in accordance with the Code (unless such purchases are made pursuant to the Exchange Transaction);
- (e) the Prospective Purchasers shall provide to the Division of Market Regulation of the Commission (the “**Division of Market Regulation**”) upon receipt of request, a daily time-sequenced schedule of all purchases of AsiaSat Shares by the Prospective Purchasers, otherwise than pursuant to the MGO, on a transaction by transaction basis, including (1) size, broker (if any), time of execution and price of purchase, and (2) if not executed on the Hong Kong Stock Exchange, the exchange, quotation system or other facility through which the purchase occurred (unless such purchases are made pursuant to the Exchange Transaction);
- (f) upon request of the Division of Market Regulation, the Prospective Purchasers shall transmit the information specified above under (e)(1) and (e)(2) to the Division of Market Regulation at its offices in Washington, D.C., within 30 days of receipt of its request;
- (g) the Prospective Purchasers shall comply with the applicable laws of Hong Kong and any applicable rules of Hong Kong organizations, such as the Code (including the “price matching” provisions of Rule 24.1 thereof discussed above) and SEHK Listing Rules;

¹³ Within the meaning of Rule 14d-2(a) under the Exchange Act.

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- (h) the Prospective Purchasers will not make any purchases or arrangements to purchase AsiaSat Shares (including any purchases or arrangements to purchase such shares pursuant to the Exchange Transaction) at a price higher than the price to be offered to all holders of AsiaSat Securities pursuant to the MGO (other than arrangements to purchase AsiaSat Securities pursuant to the Scheme);¹⁴
- (i) the Prospective Purchasers shall retain all documents and other information required to be maintained pursuant to this exemption for a period of not less than two years from the date of completion or termination of the MGO;
- (j) the representatives of the Prospective Purchasers shall be made available (in person at the offices of the Division of Market Regulation in Washington, D.C., or by telephone) to respond to inquiries of the Division of Market Regulation relating to such records; and
- (k) except as otherwise exempted herein, the Prospective Purchasers shall comply with Rule 14e-5.

In addition, we note the existence of the Memorandum of Understanding on exchange of information between the Commission, the SFC and the United States Commodity Futures Trading Commission dated October 5, 1995.

It should also be noted that the Code is based upon similar principles and rules to those found in the City Code on Takeovers and Mergers of the United Kingdom, and its primary purpose as stated is to afford fair and equal treatment for shareholders who are affected by takeovers and mergers.

Conclusion

On behalf of the Parties, we respectfully request that the Commission issue the requested exemptive relief as soon as practicable. If you require any further information or have any questions, please contact the undersigned at 011 44 20 7456 3223 or via e-mail at tom.shropshire@linklaters.com.

Yours sincerely,



Thomas B. Shropshire, Jr.

¹⁴ For the avoidance of doubt, as a result of the limited extension granted by the SFC in the context of the Transactions, the MGO will only commence in the event the Scheme does not succeed and, therefore, the Scheme and MGO will not occur simultaneously.