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DISCLOSEABLE TRANSACTION

On 23 December 2015 (after trading hours), APT (HK), an indirect wholly-owned subsidiary of the Company, entered into a Satellite Transponder Agreement with the Lessor, an Independent Third Party, in respect of the leasing of 36.204 transponders for the whole lifetime of the satellite on the APSTAR-5C/TELSTAR-18 VANTAGE Satellite subject to the terms of the Satellite Transponder Agreement.

As the percentage ratios in respect of the transactions contemplated under the Satellite Transponder Agreement exceed 5% but are less than 25%, the Satellite Transponder Agreement and the transactions contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are subject to the notification and announcement requirements under the Listing Rules.

The Board is pleased to announce that on 23 December 2015 (after trading hours), APT (HK), an indirect wholly-owned subsidiary of the Company, entered into a Satellite Transponder Agreement with the Lessor, an Independent Third Party, in respect of the leasing of 36.204 transponders on the Satellite for the Lease Term subject to the terms of the Satellite Transponder Agreement. The principal terms of the Satellite Transponder Agreement are set out below.

SATELLITE TRANSPONDER AGREEMENT

Date

23 December 2015

Parties

- (i) APT (HK); and
- (ii) the Lessor

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessor and its ultimate beneficial owners are Independent Third Parties.

* For identification purpose only

Subject matter of the Satellite Transponder Agreement

Pursuant to the Satellite Transponder Agreement, the Lessor has agreed to offer to lease to and APT (HK) has agreed to lease the APT Leased Transponders out of a total of 63 transponders on the Satellite for the Lease Term. The number of APT Leased Transponders amounts to 57.47% of the total number of transponders on the Satellite.

Payment obligations of APT (HK) under the Satellite Transponder Agreement

Pursuant to the Satellite Transponder Agreement, APT (HK) will pay the Lease Price to the Lessor for the leasing of the APT Leased Transponders under the Satellite Transponder Agreement. The Lease Price shall be US\$118,826,696 (equivalent to approximately HK\$926,848,229), payable in cash by APT (HK) to the Lessor.

Substantially all of the Lease Price shall be payable from the date of the Satellite Transponder Agreement to the first quarter of 2018 on a monthly basis in multiple installments.

If the Lessor and APT (HK) jointly procure launch and in-orbit insurance for the Satellite, APT (HK)'s payment obligations under the Satellite Transponder Agreement will also include the insurance premium for the launch and in-orbit insurance covering the APT Leased Transponders.

The payment obligations of APT (HK) under the Satellite Transponder Agreement was determined after arm's length negotiation between the parties to the Satellite Transponder Agreement by reference to the prevailing market price of a satellite of a similar type, the percentage capacity of APT Leased Transponders in proportion to the total aggregate capacity of all transponders on the Satellite and other factors.

The Satellite and the APT Leased Transponders

During the Lease Term, APT (HK) shall be entitled to all the economic benefits of the APT Leased Transponders and shall enjoy exclusive use of the APT Leased Transponders subject to the terms of the Satellite Transponder Agreement.

In the event that the relevant and necessary export licenses or permits are not obtained within four months after the execution of the Satellite Transponder Agreement, the Lessor and APT (HK) shall discuss in good faith how to resolve the problem within 30 days after the end of the said four-month period, failing which either the Lessor or APT (HK) may terminate the Satellite Transponder Agreement. Thereafter, APT (HK) shall have the first right at its sole discretion to design, procure and launch another satellite. The Company will comply with the applicable requirements under the Listing Rules as and when appropriate if this materializes.

APT (HK) shall be free to sublease the APT Leased Transponders to its customers in the ordinary course of its business subject to the terms of the Satellite Transponder Agreement, (i) to the extent not prohibited by laws and regulations, or (ii) not in breach of the term of assignment of rights and obligations under the Satellite Transponder Agreement.

Assignment of rights and obligations under the Satellite Transponders Agreement

In the event that either APT (HK) or the Lessor wishes to transfer or assign any of the rights and obligations under the Satellite Transponder Agreement, the other party shall have the right to make an offer to the selling party to purchase such of the selling party's rights and obligation in accordance with the terms of the Satellite Transponder Agreement.

Risk

Upon the commencement of the Lease Term, the risk of loss with respect to the APT Leased Transponders, including without limitation technical risk, third party liability, and any commercial risk relating to or arising from the APT Leased Transponders, shall be the responsibility of APT (HK).

The book asset value of the APT Leased Transponders is approximately US\$118,826,696 (equivalent to approximately HK\$926,848,229).

REASONS AND BENEFITS FOR THE SATELLITE TRANSPONDER AGREEMENT

APSTAR-5 (also known as TELSTAR 18) is a geostationary communication satellite located at 138° degree East orbital slot. Out of 54 transponders, APT (HK) has leasehold interests in 29 transponders, representing 53.70% interest in APSTAR-5 Satellite. Since APSTAR-5 Satellite will retire in 2019/2020, it is important that APT (HK) secure capacity on the replacement satellite of APSTAR-5 for the continuity of the business and maintain reliable services to the existing customers of APSTAR-5. Meanwhile, the satellite will carry additional transponder in expanded coverages, including regional high throughput capacities to satisfy future market demand so as to maintain the competitive edge of the Group.

The Directors believe that the terms of Satellite Transponder Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE LESSOR

Telesat International Limited, is an indirect wholly-owned subsidiary of Telesat Canada, a leading global satellite operator, incorporated in Canada which provides reliable and secure satellite-delivered communications solutions worldwide to broadcast, telecom, corporate and government customers. Telesat Canada will undertake to guarantee to APT (HK) the due performance and observance by the Lessor of all the terms and conditions to which the Lessor is subject under the Satellite Transponder Agreement.

INFORMATION OF THE COMPANY AND APT (HK)

The Company is an investment holding company. Its subsidiaries (including APT (HK)) are principally engaged in the maintenance, operation, provision of satellite transponder capacity and related services; satellite-based broadcasting and telecommunications services; and other related services.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined in Chapter 14 of the Listing Rules) under the Satellite Transponder Agreement are more than 5% but less than 25%, the Satellite Transponder Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

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| “APSTAR-5” | means the existing satellite located at geostationary orbital slot 138 degree East in which APT (HK) holds leasehold interests at 53.70% |
| “APT (HK)” | means APT Satellite Company Limited, a limited liability company incorporated in Hong Kong with a principal place of business in Hong Kong, being a wholly-owned subsidiary of the Company |
| “APT Leased Transponders” | means 36.204 transponders on the Satellite leased by APT (HK) from the Lessor |
| “Board” | means the board of Directors |
| “Company” | means APT Satellite Holdings Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on The Stock Exchange of Hong Kong Limited |
| “connected persons” | has the meaning ascribed to it under the Listing Rules |
| “Directors” | means directors of the Company |

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| “End of Life” | means the date on which the actual orbital maneuver life of a satellite is permanently terminated |
| “HK\$” | Hong Kong dollars |
| “Independent Third Party” | means any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules) |
| “Lease Price” | The aggregate lease payment in respect of the APT Leased Transponders under the Satellite Transponder Agreement to be paid by APT (HK) to the Lessor |
| “Lease Term” | means the period commencing upon transfer of title to the Satellite from the satellite manufacturer to the Lessor and continuing thereafter until the End of Life of the Satellite, subject to earlier termination in accordance with the terms of the Satellite Transponder Agreement |
| “Lessor” | means Telesat International Limited, a company incorporated in the United Kingdom having its head office at 80 Petty France, London, SW1H 9EX, United Kingdom, an indirect wholly-owned subsidiary of Telesat Canada. |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited |
| “Shareholders” | holder(s) of share(s) of the Company |
| “Satellite” | means the APSTAR-5C/TELSTAR 18 VANTAGE Satellite |

“Satellite Transponder Agreement” means the lease agreement in hire-purchase arrangement dated 23 December 2015 entered into between the Lessor and APT (HK) pursuant to which APT (HK) has agreed to lease from and the Lessor has agreed to lease to the other party thereto the APT Leased Transponders subject to the terms therein

“US\$” means United States dollars

By order of the Board
APT Satellite Holdings Limited
Dr. Lo Kin Hang, Brian
Company Secretary

Hong Kong, 23 December 2015

The Directors as at the date of this announcement are as follows:

Executive Directors:

Cheng Guangren (President) and Qi Liang (Vice President)

Non-executive Directors:

Yuan Jie (Chairman), Lim Toon, Yin Yen-liang, Zhuo Chao, Fu Zhiheng, Lim Kian Soon and Tseng Ta-mon (Alternate Director to Yin Yen-liang)

Independent Non-executive Directors:

Lui King Man, Lam Sek Kong, Cui Liguang and Meng Xingguo

In this announcement, the conversion of US\$ into Hong Kong dollars has been made at a rate of US\$1 to HK\$7.8. Such conversion are for reference only and should not be construed as representations that the US\$ amount could be converted into Hong Kong dollars at that or any other rate.