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(Incorporated in Bermuda with limited liability)
(Stock code: 1045)

**Major and Connected Transaction
Launch services contract in respect of APSTAR 7 Satellite
and
Resumption of Trading**

THE LAUNCH SERVICES CONTRACT

The board of directors announced that on 8 November 2009, APT (HK), a wholly owned subsidiary of the Company, entered into the Launch Services Contract with the Launch Contractor, for the launch and associated services of the APSTAR 7 Satellite on launch vehicle LM-3B enhanced version at the Xichang Satellite Launch Center at Xichang in Sichuan Province, PRC. The signing of the Launch Services Contract is another step in the implementation of the Company's plan for the commissioning of APSTAR 7 Satellite for the replacement of APSTAR 2R.

LISTING RULES REQUIREMENTS

As the Launch Contractor is a subsidiary of CASC and CASC and its associates are interested in approximately 57% interests in APT International, which in turn is a substantial shareholder of the Company holding approximately 51.83% interest in the Company, the Launch Contractor is therefore a connected person of the Company under the Listing Rules. The Launch Services Contract constitutes a connected transaction of the Company. As such, the Launch Services Contract is subject to Independent Shareholders' approval at a special general meeting of the Company under Rule 14A.18 of the Listing Rules. APT International, CASC and their respective associates will be required to abstain from voting in respect of the resolution approving the Launch Services Contract and the transactions contemplated thereunder.

The Launch Services Contract also constitutes a major transaction of the Company given the consideration payable for the Standard Launch Services and all the Optional Services under the Launch Services Contract exceeds 25% of the total assets and market capitalisation of the Company.

GENERAL

A circular containing, among other things, details of the Launch Services Contract and the notice of the special general meeting will be despatched to the Shareholders as soon as practicable.

An independent board committee, comprising the independent non-executive Directors, will be established to consider the terms of the Launch Services Contract and advise the Independent Shareholders as to whether the transactions under the Launch Services Contract have been entered into in the ordinary and usual course of business and the terms were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

An independent financial adviser will be appointed in due course to advise the independent board committee of the Company and the Independent Shareholders as to whether the transactions under the Launch Services Contract have been entered into in the ordinary and usual course of business and the terms were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was suspended with effect from 9:30 a.m. on 9 November 2009 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 10 November 2009 has been made by the Company.

The board of directors announced that on 8 November 2009, APT (HK), a wholly owned subsidiary of the Company, entered into the Launch Services Contract with the Launch Contractor, for the launch and associated services of the APSTAR 7 Satellite on launch vehicle LM-3B enhanced version at the Xichang Satellite Launch Center at Xichang in Sichuan Province, PRC. The signing of the Launch Services Contract is another step in the implementation of the Company's plan for the commissioning of APSTAR 7 Satellite for the replacement of APSTAR 2R.

LAUNCH SERVICES CONTRACT

Date : 8 November 2009

Parties : (1) APT (HK), a wholly-owned subsidiary of the Company
(2) the Launch Contractor

The Launch Contractor is a subsidiary of CASC and CASC and its associates are interested in approximately 57% interests in APT International, which in turn is a substantial shareholder of the Company holding approximately 51.83% interest in the Company, the Launch Contractor is therefore a connected person of the Company under the Listing Rules.

Subject matter : The Launch Contractor shall provide the launch and associated services of the APSTAR 7 Satellite (the “Standard Launch Services”) on launch vehicle LM-3B enhanced version at the Xichang Satellite Launch Center at Xichang in Sichuan Province, PRC within the initial launch period between 1 February 2012 to 30 April 2012 or such other period as the parties may agree.

The Launch Contractor shall be responsible for obtaining all necessary or desirable permits from all relevant Chinese authorities for the shipment of the APSTAR 7 Satellite and any equipment ancillary thereto to the launch site from outside China and their movement within China, provided that APT (HK) provides all such documentation as is reasonably required by the relevant Chinese authorities for the purpose of obtaining such permits.

Contract price : The agreed fixed contract price for the Standard Launch Services is US\$68,000,000 (approximately HK\$530,400,000).

APT (HK) shall pay the down payment equivalent to US\$3,400,000 (approximately HK\$26,520,000) within 10 days after obtaining the Independent Shareholders’ approval approving the Launch Services Contract and the transactions contemplated thereunder in a shareholders’ general meeting.

The remaining of the contract price shall be paid by APT (HK) to the Launch Contractor in 9 instalments in accordance with the payment plan in the Launch Services Contract.

All payments under the Launch Services Contract shall be made in US dollars by way of telegraphic bank transfer into the Launch Contractor’s account. Any delayed payment, which failure to pay continues to be unremedied within 30 days after notification by the Launch Contractor, shall be charged with an interest calculated at the rate of the then current 6-month LIBOR rate for call deposits of US dollars as quoted by HSBC Bank, Hong Kong as prevailing on each date for which the default in payment continues plus 1% per annum until actual payment.

If, within 12 months from the effective date of the Launch Services Contract, the Launch Contractor offers similar launch services to any third parties with better or more favourable terms and conditions including prices as compared to that of the Launch Services Contract for APSTAR 7 Satellite, the Launch Contract shall upon APT (HK)'s request offer better or more favourable terms and conditions including prices to APT (HK).

Major Conditions : The Launch Services Contract is subject to the Independent Shareholders' approval to be obtained in a shareholders' general meeting of the Company to be held.

Termination : Termination by APT (HK)

APT (HK) is entitled to terminate the Launch Services Contract:

(1) at any time upon giving written notification to the Launch Contractor. Upon termination, which takes effect 30 days after receipt of the notification by the Launch Contractor, the Launch Contractor shall be entitled to a termination fee as follows:

- (a) 100% of the payments made or due to be made by APT (HK) on or before the termination date, up to 20% of the price for the Standard Launch Services; plus
- (b) 50% of any payments made or due to be made by APT (HK) on or before the termination date in excess of the first 20% of the price for the Standard Launch Services; plus
- (c) 100% of the payments for all Optional Services actually performed on or before the date of termination.

Any payments received by the Launch Contractor from APT (HK) in excess of the termination fees shall be refunded to APT (HK) within 30 days of termination.

- (2) if postponement requested by the Launch Contractor or any material failure by the Launch Contractor to perform its obligations in a timely manner results in delaying the launch for a period of 9 months or more beyond the end of the relevant launch period, in which event, the Launch Contractor shall refund to APT (HK) 100% of all payments made by APT (HK) for the launch.
- (3) the launch is delayed by 6 months or more beyond the end of the previously established launch period due to a force majeure event, in which event the Launch Contractor shall retain 50% of all payments made or due for the launch prior to the date of such termination by APT (HK).

Termination by the Launch Contractor

The Launch Contractor shall be entitled to terminate the Launch Services Contract by giving written notice to APT (HK) if APT (HK) fails to effect any non-disputed payment on the due date or otherwise fails to meet its material obligations under the Launch Services Contract which APT (HK) fails to remedy within 90 days of its receipt of a notice from the Launch Contractor. Upon such a termination, the Launch Contractor shall refund to APT (HK) the relevant percentage of the amounts for the Standard Launch Services already paid by APT (HK) before the effective date of termination as follows:

- (a) if less than or equivalent to 20% of the price of the Standard Launch Services is received prior to the date of such termination, no payment shall be refunded to APT (HK);
- (b) if more than 20% of the price for the Standard Launch Services is received prior to the date of such termination, a 50% of the amount beyond the 20% of the Standard Launch Services price shall be refunded to APT (HK).

- Indemnity : (1) Each party shall bear any and all loss or damage to property or for bodily injury, including death, and all financial and other consequences of such direct or indirect loss, damage or bodily injury, including death, in connection with or arising out of or resulting from any and all activities carried out under or in connection with the Launch Services Contract. Each party agrees to absorb the financial and any other consequences of such loss, damage or bodily injury, including death, on the principle of no-fault, no subrogation and no-recourse against the other and agrees that it shall not, through any means whatsoever, make or bring a claim against or sue the other party or its associates for such loss, damage or bodily injury, including death, or any and all consequences thereof. If any party or its associates who makes any claim or demand or instigates any proceeding (whether administrative, arbitral, judicial or otherwise) against the other party or its associates for any loss, damage or bodily injury, including death, the first party shall indemnify and hold the other party and its associates harmless from any loss, damage, liability or expense, including reasonable attorney's fees, and shall defend the other party and its associates from, such claim, demand or proceeding.
- (2) APT (HK) shall indemnify and hold the Launch Contractor and its associates harmless from any liability resulting from an infringement of any intellectual property rights of APT (HK), its associates or any third party arising from the APSTAR 7 Satellite or any other property of APT (HK), or the proper use thereof.
- (3) The Launch Contractor shall indemnify and hold APT (HK) and its associates harmless from any liability resulting from an infringement of any intellectual property rights of the Launch Contractor, its associates or any third party arising from APT (HK)'s proper use of the Launch Contractor's facilities, technical literature, equipment and services.

- (4) The Launch Contractor shall settle all liabilities, and shall indemnify and hold APT (HK) and the manufacturer of APSTAR 7 Satellite harmless for property damage and bodily injury arising from the launch when caused to third parties by the launch vehicle, and/or its components or any part thereof during the 12 months period from the launch for any amount in excess of the insured limits of said insurance policy.

Optional Services : Launch Contractor agrees to provide certain launch related Optional Services at pre-determined prices. The ordering of any Optional Service will only be made after the discussion with the satellite manufacturer. It is estimated that if all Optional Services are elected, the price payable for such services will be not more than US\$1,000,000 (approximately HK\$7,800,000). The amount of consideration payable for the Option Services will be subject to actual usages.

Governing law : The laws of the PRC.

BASIS OF CONSIDERATION

The contract price and the terms of the Launch Services Contract have been negotiated on an arm's length basis having regard to the value of similar assets and services in the market. The contract price will be funded by the existing available bank facilities, internal resources of the Company and external borrowings in the future.

REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

The Group of the Company is engaged in the provision of satellite transponder capacity and related services. Its strategy is to become one of the leading regional providers of satellite transponder capacity and related services focusing the Asia Pacific region. As announced in the Company's announcement dated 30 September 2009, after the completion of the termination of the 1999 lease agreement and ancillary agreement in respect of APSTAR 2R in July 2009, APT (HK) has began the commissioning of APSTAR 7 Satellite and has entered into the Satellite Procurement Contract which is in line with the Company's plan for the replacement of APSTAR 2R, which will expire by the end of 2012.

The Directors believe that the Company will benefit from expanding the satellite services and customer base, further increasing the revenue of the Company and strengthening competitive advantage and growth potential for long-term development of the Company. The Company will also secure the opportunity of future satellite continuity as a result of the entering into the Satellite Procurement Contract.

The Directors (including the independent non-executive Directors) believe that the terms of the transaction are fair and reasonable and in the interests of the shareholders as a whole.

INFORMATION ON THE PARTIES TO THE LAUNCH SERVICES CONTRACT

The Launch Contractor

The Launch Contractor, is a company registered under the laws of the PRC and a subsidiary of CASC. The Launch Contractor provides launch and associated services utilising launch vehicles of the Long March series at the Xichang Satellite Launch Center in China to government and private entities. It is the counterparty to the Launch Services Contract, pursuant to which it shall provide the launch and associated services of the APSTAR 7 Satellite on launch vehicle LM-3B enhanced version at the Xichang Satellite Launch Center at Xichang in Sichuan Province, PRC within the initial launch period scheduled to be on 1 February 2012 to 30 April 2012 or such other date as the parties may agree.

The Company

The Company is an investment holding company. Its subsidiaries 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.

APT (HK)

APT (HK) is principally engaged in the maintenance, operation, provision of satellite transponder capacity and related services; satellite-based broadcasting and telecommunications services; and other service.

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DEFINED TERMS USED IN THIS ANNOUNCEMENT

Capitalised terms used in this announcement shall have the following meanings:–

“APSTAR 7 Satellite”	Spacebus 4000 C2 Platform having 28 C-band and 28 Ku-band high power geostationary communications satellite
“APT (HK)”	APT Satellite Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“APT International”	APT Satellite International Company Limited, the substantial shareholder of the Company holding approximately 51.83% of the issued share capital of the Company as at the date of this announcement
“Associate(s)”	has the same meaning as defined in the Listing Rules

“CASC”	中國航天科技集團公司(China Aerospace Science & Technology Corporation)
“Company”	APT Satellite Holdings Limited
“Launch Contractor”	China Great Wall Industry Corporation, a company registered under the laws of the PRC and a subsidiary of CASC
“Launch Services Contract”	The contract dated 8 November 2009 entered into between APT (HK) and the Launch Contractor for the launch and associated services of the APSTAR 7 Satellite at the Xichang Satellite Launch Center at Xichang in Sichuan Province, PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders other than APT International, CASC and their respective Associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Optional Services”	such services including but not limited to additional satellite interface tests, and additional mission analysis, lease of international communication lines, transportation, board and lodging
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Satellite Procurement Contract”	a contract for the procurement of APSTAR 7 Satellite dated 29 September 2009 between APT (HK) and Thales Alenia Space France, in respect of the manufacturing and delivering on ground the APSTAR 7 Satellite by Thales Alenia Space France to APT (HK)
“Shareholder(s)”	shareholders of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$” or “US dollars”

United States dollars, the lawful currency of the United States of America

An exchange rate of US\$ 1 to HK\$7.80 has been adopted as the conversion rate of US dollars into HK Dollars for the purpose of this announcement. Such exchange rate does not constitute a representation that any amounts have been, could have been, or may be exchanged at such or any other rates.

By Order of the Board

Dr. Brian Lo

Company Secretary

Hong Kong, 9 November 2009

The directors of the Company as at the date of this announcement are as follows:

Executive Directors:

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

Non-Executive Directors:

Rui Xiaowu (Chairman), Lim Toon, Yin Yen-liang, Wu Zhen Mu, Yong Foo Chong, Wu Jinfeng and Tseng Ta-mon (Alternate Director to Yin Yen-liang)

Independent Non-Executive Directors:

Huan Guocang, Lui King Man, Lam Sek Kong and Cui Ligu