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## **APT SATELLITE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1045)

### **Major Transaction**

**Satellite Procurement Contract in respect of APSTAR 7B Satellite,**

### **Major and Connected Transaction**

**Launch Service Agreement in respect of APSTAR 7B Satellite,**

### **Very Substantial Disposal and Connected Transaction**

**Co-operation Agreement in respect of APSTAR 7B Satellite**

**and**

### **Resumption of Trading**

#### **APSTAR 7B SATELLITE PROCUREMENT CONTRACT**

On 23 April 2010, APT (HK), a wholly owned subsidiary of the Company, entered into a satellite procurement contract with the Satellite Contractor, an Independent Third Party, for the manufacturing and delivering of APSTAR 7B Satellite, a Spacebus 4000 C2 Platform with 28 C-band and 23 Ku-band high power geostationary communications satellite.

#### **APSTAR 7B SATELLITE LAUNCH SERVICE AGREEMENT**

On 23 April 2010, APT (HK) entered into a launch service agreement with the Launch Contractor, a connected person of the Company, for the provision of launch and associated services of the APSTAR 7B Satellite on launch vehicle LM-3B enhanced version at the Xichang Satellite Launch Center at Xichang in Sichuan Province, the PRC.

## **CO-OPERATION AGREEMENT**

On 23 April 2010, APT (HK) entered into a co-operation agreement with China Satcom, a connected person of the Company, in respect of APSTAR 7B Satellite. China Satcom will arrange financing to APT (HK) for the specific purpose of payment of the progress payments under the APSTAR 7B Satellite Procurement Contract. In the event that the launch of APSTAR 7 Satellite is successful and APSTAR 7 Satellite is in commercial operation, APT (HK) will assign all its rights under the APSTAR 7B Satellite Procurement Contract at a consideration equal to all payments made by APT (HK). In the event that the APSTAR 7B Satellite Launch Services Agreement becomes operative and insurance policy in respect of the launch has been taken by APT (HK) for APSTAR 7B Satellite, the same will be assigned together with the APSTAR 7B Satellite Procurement Contract to China Satcom at cost.

## **LOAN AGREEMENT**

On 23 April 2010, APT (HK) entered into a loan agreement with the Lender, a connected person of the Company, in relation to the provision of a facility by the Lender for the progress payments of the APSTAR 7B Satellite Procurement Contract up to Euro 100,000,000 or equivalent amount in US dollars (approximately HK\$1,027,300,000).

## **LISTING RULES REQUIREMENTS**

The satellite procurement contract in respect of APSTAR 7 Satellite entered into with the Satellite Contractor in September 2009 was a very substantial acquisition based on the relevant percentage ratios. Given that such contract was approved by the Shareholders in general meeting of the Company and the consideration payable under the APSTAR 7B Satellite Procurement Contract exceeds 25% but is less than 100% of the audited consolidated total assets of the Company as at 31 December 2009 and the market capitalisation of the Company, the transaction contemplated under the APSTAR 7B Satellite Procurement Contract constitutes a major transaction of the Company under the Listing Rules. APT International, the substantial shareholder of the Company holding approximately 51.82% interest in the Company, has approved the APSTAR 7B Satellite Procurement Agreement.

The APSTAR 7B Satellite Launch Service Agreement constitutes a connected transaction of the Company given the Launch Contractor is a subsidiary of CASC and CASC and its associates are interested in approximately 57.14% interests in APT International. As such, the APSTAR 7B Satellite Launch Service Agreement is subject to Independent Shareholders' approval at the SGM under Rule 14A.18 of the Listing Rules. Given that APT (HK) entered into a launch service agreement with the Launch Contractor in respect of APSTAR 7 Satellite in November 2009, the values and the aggregate consideration payable under the two launch service agreements are aggregated. The aggregated value and aggregated consideration represent more than 25% but less than 100% of the audited consolidated total assets of the Company as at 31 December 2009 and the market capitalisation of the Company, respectively and the APSTAR 7B Satellite Launch Service Agreement constitutes a major transaction of the Company.

As China Satcom is a subsidiary of CASC, China Satcom is therefore a connected person of the Company under the Listing Rules. The Co-operation Agreement and the transactions and arrangements contemplated thereunder (being loan facility arranged by a subsidiary of China Satcom to APT (HK) under the Loan Agreement and the assignment of rights of APT (HK) under the APSTAR 7B Satellite Procurement Contract, the APSTAR 7B Satellite Launch Services Agreement and the insurance policy in respect of APSTAR 7B Satellite in case APSTAR 7 Satellite is successfully launched and in commercial operation) will constitute connected transactions of the Company. As such, the Co-operation Agreement is subject to Independent Shareholders' approval at the SGM under Rule 14A.18 of the Listing Rules. The transactions contemplated under the Co-operation Agreement also constitute a very substantial disposal of the Company given the expected maximum aggregate consideration payable in respect of the assignment of rights exceeds 75% of the total assets and market capitalisation of the Company.

APT International, China Satcom, CASC and their respective associates will be required to abstain from voting in respect of the resolutions approving the Co-operation Agreement, the APSTAR 7B Satellite Launch Service Agreement and the respective transactions and arrangements contemplated thereunder.

The provision of loan facility by the Lender, a subsidiary of China Satcom, under the Loan Agreement is without security and on normal commercial terms. As such, the financial assistance provided thereunder is exempt from disclosure and independent shareholders approval requirement pursuant to Rule 14A.65(4) of the Listing Rules.

The signing of the APSTAR 7B Satellite Procurement Contract, the APSTAR 7B Satellite Launch Services Agreement, the Co-operation Agreement and the Loan Agreement are the precautionary steps in the implementation of the Company's backup plan for the commissioning of APSTAR 7 Satellite for the replacement of APSTAR 2R Satellite. APSTAR 7 Satellite is scheduled to be launched during the first half of 2012 and the initial launch period of APSTAR 7B Satellite is between 15 July 2012 and 15 October 2012 (in case the launch of APSTAR 7 Satellite is not successful).

## **GENERAL**

A circular containing, among other things, details of the APSTAR 7B Satellite Procurement Contract, the APSTAR 7B Satellite Launch Service Agreement, the Co-operation Agreement and the Loan Agreement and the notice of the SGM 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 APSTAR 7B Satellite Launch Service Agreement and the Co-operation Agreement and advise the Independent Shareholders as to whether the transactions and arrangements

contemplated thereunder 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 and arrangements under the APSTAR 7B Satellite Launch Service Agreement and the Co-operation Agreement 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 26 April 2010 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 27 April 2010 has been made by the Company.

The board of directors of the Company announced that on 23 April 2010, APT (HK), a wholly owned subsidiary of the Company, entered into :-

- (i) the APSTAR 7B Satellite Procurement Contract with the Satellite Contractor, an Independent Third Party, for the manufacturing and delivering of APSTAR 7B Satellite, a Spacebus 4000 C2 Platform with 28 C-band and 23 Ku-band high power geostationary communications satellite;
- (ii) the APSTAR 7B Satellite Launch Services Agreement with the Launch Contractor, for the provision of launch and associated services of the APSTAR 7B Satellite on launch vehicle LM-3B enhanced version at the Xichang Satellite Launch Center at Xichang in Sichuan Province, the PRC;
- (iii) the Co-operation Agreement with China Satcom pursuant to which China Satcom will arrange financing to APT (HK) for the specific purpose of payment of the progress payments under the APSTAR 7B Satellite Procurement Contract. In the event that the launch of APSTAR 7 Satellite is successful and APSTAR 7 Satellite is in commercial operation, APT (HK) will assign all its rights under the APSTAR 7B Satellite Procurement Contract at a consideration equal to all payments made by APT (HK). In the event that the APSTAR 7B Satellite Launch Services Agreement becomes operative and insurance policy in respect of the launch has been taken by APT (HK) for APSTAR 7B Satellite, the same will be assigned together with the APSTAR 7B Satellite Procurement Contract to China Satcom at cost;

- (iv) the Loan Agreement with the Lender in relation to the provision of a facility by the Lender for the progress payments of the APSTAR 7B Satellite Procurement Contract up to Euro 100,000,000 or equivalent amount in US dollars (approximately HK\$1,027,300,000).

The signing of the APSTAR 7B Satellite Procurement Contract, the APSTAR 7B Satellite Launch Services Agreement, the Co-operation Agreement and the Loan Agreement are the precautionary steps in the implementation of the Company's backup plan for the commissioning of APSTAR 7 Satellite for the replacement of APSTAR 2R Satellite. APSTAR 7 Satellite is scheduled to be launched during the first half of 2012 and the initial launch period of APSTAR 7B Satellite is between 15 July 2012 and 15 October 2012 (in case the launch of APSTAR 7 Satellite is not successful).

### **APSTAR 7B SATELLITE PROCUREMENT CONTRACT**

- Date : 23 April 2010
- Parties : (1) APT (HK), a wholly-owned subsidiary of the Company
- (2) the Satellite Contractor

To the best of the directors' knowledge, information and belief, having made all reasonable enquiry, the Satellite Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

- Subject Matter : The Satellite Contractor will (a) manufacture and deliver the APSTAR 7B Satellite to APT (HK) in accordance with the delivery schedule as defined in the APSTAR 7B Satellite Procurement Contract, including, inter alia, (i) the design, development, manufacture, assembly, integration, test and shipment of the APSTAR 7B Satellite; (ii) the performance of the launch campaign, launch and early operational phase, in-orbit test and on site support; (iii) the delivery of APSTAR 7B Satellite and other deliverable items, including but not limited to dynamic satellite simulator, satellite control centre and base band subsystem and the provision of all necessary personnel, materials, equipment, services, technical data and information,

facilities and documentation and (b) online support for in-orbit operation through the lifetime of the APSTAR 7B Satellite. It is expected that the APSTAR 7B Satellite shall have a nominal operational lifetime of 5,475 days after final acceptance.

The Satellite Contractor undertakes to perform the technical interface between the APSTAR 7B Satellite and the designated launch vehicle ensuring full compatibility between the APSTAR 7B Satellite and the designated launch vehicle according to its interface manual.

Contract Price : The total contract price under the APSTAR 7B Satellite Procurement Contract comprises:

- (a) the APSTAR 7B Satellite, and related services and Deliverable Items (save for items in (b)): an aggregate of Euro 110,400,000 (approximately HK\$1,134,139,000); and
- (b) satellite control centre and base band subsystem: an aggregate of Euro 1,900,000 (approximately HK\$19,519,000); and
- (c) On-line support for in-orbit operations and on site support: an aggregate of Euro 2,300,000 (approximately HK\$23,627,900).

APT (HK) shall pay the down payment equivalent to Euro 2,400,000 (approximately HK\$24,655,000) within 10 days after the date of signing of the APSTAR 7B Satellite Procurement Contract.

The contract price shall be paid by APT (HK) to the Satellite Contractor in accordance with the payment plan in the APSTAR 7B Satellite Procurement Contract upon completion of each applicable progress, within 30 days from the date of receipt of such invoice, in Euros.

In case of delayed payment, interest calculated at average 1 month Euro Interbank Offer Rate for the calendar month (when the delay first occurs) + 1.5% per annum shall be charged until actual payment.

Major Conditions : The APSTAR 7B Satellite Procurement Contract is subject to the approval of the Company. If APT (HK) does not obtain the said approval from the Company within 45 days after the Effective Date, the APSTAR 7B Satellite Procurement Contract shall be deemed terminated, unless otherwise agreed by the parties. In case of such termination, the Satellite Contractor shall be entitled to keep the amount of the down payment received from APT (HK) and APT (HK) shall pay to the Satellite Contractor an amount of Euro 4,100,000 (approximately HK\$42,119,000) within 10 days after the date of termination.

Delivery : The Satellite Contractor shall deliver the APSTAR 7B Satellite to the nearest airport of the designated launch site no later than 27 months after the Effective Date.

If the APSTAR 7B Satellite is not delivered by the delivery date as stated above, the Satellite Contractor agrees to pay to APT (HK), as liquidated damages of Euro 43,012.5 (approximately HK\$441,867), Euro 86,025 (approximately HK\$883,735) and Euro 57,350 (approximately HK\$589,157) for each day of delay in the first, second and third 40 days of delay periods respectively, except for the first 30 days of delay where the liquidated damages payment for the first 30 days will not be paid until the occurrence of the 31st day of delay.

The maximum payment to APT (HK) for the late delivery of the APSTAR 7B Satellite is Euro 7,455,500 (approximately HK\$76,590,352). The liquidated damages is subject to a 30% reduction in case the launch of APSTAR 7B Satellite is also delayed for reasons not attributable to Contractor).

If the APSTAR 7B Satellite is not available for the completion of the launch readiness review within 35 days after the date of its delivery to the designated launch site for reasons attributable to the Satellite Contractor, then the Satellite Contractor shall pay to APT (HK) an amount of Euro 18,000 (approximately HK\$184,914) for each day of delay starting from the 36th day after the date of its delivery, up to a maximum of Euro 810,000 (approximately HK\$8,321,130). The liquidated damages provided above shall be in lieu of

all other rights by law, in equity or contract and shall be the sole remedy to which APT (HK) shall be entitled for late delivery of the APSTAR 7B Satellite, other than the right to terminate for default by the Satellite Contractor.

Title and Risk : The transfer of title and risk to the APSTAR 7B Satellite shall pass to APT (HK) upon lift-off of the launch vehicle from the ground support equipment.

Transfer of risk and the transfer of title to the Deliverable Items (other than the APSTAR 7B Satellite) and the documentation shall pass to APT (HK) at the time of physical delivery and final acceptance of the APSTAR 7B Satellite.

Termination : (1) APT (HK), may by written notice to the Satellite Contractor, terminate the APSTAR 7B Satellite Procurement Contract in whole or in part, prior to completion. In such event, it is agreed that the termination charges applicable to any portion of the work under the APSTAR 7B Satellite Procurement Contract shall be negotiated but shall in no event exceed the total costs, direct and indirect, incurred by the Satellite Contractor in the performance of the work prior to the termination of the contract, including reasonable costs properly incurred with respect to termination and settlement with vendors and subcontractors as a result of such termination, plus a 6% profit on such costs.

(2) APT (HK) may terminate the APSTAR 7B Satellite Procurement Contract in whole or in part by written notice of default if:

(a) the Satellite Contractor fails to deliver the APSTAR 7B Satellite to the place of delivery on or before 120 days after the scheduled delivery date; or

(b) the Satellite Contractor fails to perform any of its material obligations and has not cured such failure within 45 days after receipt from APT (HK) of a written notice of such default; or

- (c) the Satellite Contractor becomes subject of voluntary or involuntary liquidation, insolvency, bankruptcy or other corporate reorganisation proceedings, or arrangement, if such proceeding or arrangement is not dismissed within 45 days after the filing thereof; or
- (d) the Satellite Contractor is unable (i) to confirm to APT (HK) in writing by the Effective Date plus 120 days any Export Licence (except for satellite propellant) have been or will be obtained by the Effective Date plus 180 days; or (ii) to obtain by the Effective Date plus 180 days any Export Licence (except for satellite propellant) or a letter issued by the concerned governmental authorities exempting the Satellite Contractor from such export licences.

Upon such partial or complete termination, the Satellite Contractor shall, within 2 months reimburse to APT (HK) any amount paid to it under the APSTAR 7B Satellite Procurement Contract up to the date of termination plus an additional sum ranging from 4% to 8% of such reimbursement (depending on the circumstances of termination).

- (3) The Satellite Contractor shall be entitled to, after providing written notice to APT (HK), to stop all or part of the work if:
  - (a) APT (HK) fails to make any undisputed payment to the Satellite Contractor within 30 days after such payment has become due and payable; or
  - (b) APT (HK) fails to perform any of its material obligations under the APSTAR 7B Satellite Procurement Contract, and has not cured such failure within 30 days after receipt from the Satellite Contractor of a written notice of such default.

Upon such work stoppage, APT (HK) shall indemnify the Satellite Contractor against all reasonable costs and expenses properly incurred by the Satellite Contractor in respect of such stoppage and any subsequent resumption of the work, provided that the Satellite Contractor shall take all reasonable steps to minimise the occurrence of such costs and expenses.

- Indemnity :
- (1) Each party shall indemnify and hold harmless the other party, its officers, employees, agents, assignees or successors or any of them (“Indemnitees”) from any loss, damage, liability or expense, resulting from any loss or damage to property or injury, or death to persons, arising from any occurrence in the performance of the Satellite Procurement Contract until the transfer of title to the APSTAR 7B Satellite to APT (HK), except to the extent caused by any fault or negligent act or omission of the Indemnitees and subject to the aggregate liability of Euro 20,000,000 (approximately HK\$205,460,000).
  - (2) After the engine start command is sent to the launch vehicle for the purpose of launch and subject to the limitation of liability, APT (HK) shall indemnify and hold harmless the Satellite Contractor and its subcontractors, their employees and/or representatives from any and all liabilities which may arise from losses or damages of any kind suffered by third parties including but not limited to those suffered by employees, and representatives of such third parties and the customers of APT (HK) arising out of the operation of the APSTAR 7B Satellite, provided that such losses or damages are not caused by gross negligence or wilful misconduct of the Satellite Contractor. The launch and in-orbit insurance taken by APT (HK) to cover its exposure shall include a waiver of subrogation against the Satellite Contractor, its subcontractors and their employees and/or representatives and insurance companies.

- (3) The Satellite Contractor shall indemnify and hold harmless APT (HK), its directors, officers, shareholders, employees, agents, and consultants from and against any liability, expense or legal and similar costs as a result of any threatened or actual claim or action alleging the infringement of any patent, copyright, or industrial design, mask work, trademark, or any other intellectual property right, or alleging unauthorised use or disclosure of any proprietary technical data and information in respect of the APSTAR 7B Satellite or any other item delivered or used under the APSTAR 7B Satellite Procurement Contract or in respect of all activities and services to be performed by the Satellite Contractor under the APSTAR 7B Satellite Procurement Contract.

Guarantees

- :
- (1) The Satellite Contractor shall arrange the issuance of a parent company guarantee equivalent to the total contract price by TAS in favour of APT (HK) within 2 months after the Effective Date, which shall be valid from the Effective Date up to the date of completion of in-orbit acceptance review of the APSTAR 7B Satellite or the Effective Date plus 34 months or the date on which APT (HK) notifies the Satellite Contractor of the termination of the APSTAR 7B Satellite Procurement Contract or the date on which the Satellite Contractor is entitled to terminate the APSTAR 7B Satellite Procurement Contract, whichever comes earlier.
  - (2) The Satellite Contractor shall arrange the issuance of a parent company guarantee by TAS in favour of APT (HK) within 1 month after the in-orbit acceptance review, which shall be valid during the nominal operation lifetime of the APSTAR 7B Satellite and the total amount shall be Euro 10,160,000 (approximately HK\$104,373,680).
  - (3) APT (HK) shall arrange the issuance of a parent company guarantee by the Company equivalent to the total contract price in favour of the Satellite Contractor within 2 months after the Effective Date, which shall be valid from the Effective

Date up to the date of completion of in-orbit acceptance review of the APSTAR 7B Satellite or the Effective Date plus 34 months, or on the date upon the APSTAR 7B Satellite Procurement Contract is assigned, whichever becomes the earliest.

Assignment : APT (HK) shall be entitled to assign, by written notice to the Satellite Contractor, the APSTAR 7B Satellite Procurement Contract to China Satcom. In the case of any such assignment, China Satcom shall assume all the rights and obligations of APT (HK) under the APSTAR 7B Satellite Procurement Contract (including liability, jointly and severally with APT, for any past breaches of the contract).

The Satellite Contractor shall unconditionally enter into an amendment to the APSTAR 7B Satellite Procurement Contract with APT (HK) and China Satcom upon receiving such written notice from APT (HK) regarding the assignment.

#### **Basis of consideration and funding of APSTAR 7B Satellite**

The contract price and the terms of the APSTAR 7B Satellite Procurement 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 loan facility arranged under the Loan Agreement and internal resources of the Company.

#### **Reasons and benefits for entering into the transaction**

The Group 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. The Company entered into the APSTAR 7 Satellite Procurement Contract with the Satellite Contractor or shortly after the completion of the termination of the 1999 lease agreement and ancillary agreement in respect of APSTAR 2R Satellite in July 2009, for the replacement of APSTAR 2R Satellite, which will expire at the end of 2012. It is intended that APSTAR 7 Satellite will replace APSTAR 2R Satellite in the first half of 2012. The entering into of the APSTAR 7B Satellite Procurement Contract is a precautionary step taken in respect of the backup plan for the replacement of APSTAR 2R Satellite in case APSTAR 7 Satellite cannot successfully replace APSTAR 2R Satellite.

The directors of the Company (including the independent non-executive directors) believe that the terms of the transaction (including the forfeiture provision in the event the Company's approval is not obtained, having regard to the agreement by the Satellite Contractor to commence preparation of manufacturing of APSTAR 7B Satellite after the Effective Date to meet the delivery schedule and the minimal risk that shareholders approval is not obtained) are fair and reasonable and in the interests of the shareholders as a whole.

It is expected that approval by the Company of the APSTAR 7B Satellite Procurement Contract will be given to APT (HK) after the approval by Independent Shareholders at the SGM of the transactions contemplated under the Co-operation Agreement (including the provision of loan facility under the Loan Agreement). In the absence of any unforeseeable circumstances, the Company considers that the risk associated with the forfeiture of the down payment and the payment of the compensation in the event that APT (HK) fails to proceed with the transaction is minimal.

### **Information on the parties to the APSTAR 7B Satellite Procurement Contract and their respective holding companies**

#### *The Satellite Contractor*

The Satellite Contractor, is a company organised under the laws of France and a wholly owned subsidiary of TAS. The Contractor is the counterparty to the APSTAR 7B Satellite Procurement Contract, pursuant to which it shall manufacture and deliver to APT (HK) the APSTAR 7B Satellite.

#### *TAS*

TAS, a company organised under the laws of France, is a European leader in satellite systems and major player in orbital infrastructures. TAS is a joint venture between Thales (67%) and Finmeccanica (33%). TAS sets the global standard in solutions for space telecoms, radar and optical earth observation, defence and security, navigation and science. The company possesses industrial sites in France, Italy, Spain and Belgium. Further information of TAS can be obtained from its website: [www.thalesaleniaspace.com](http://www.thalesaleniaspace.com).

#### *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 related services.

## LAUNCH SERVICES AGREEMENT

Date : 23 April 2010

Parties : (1) APT (HK)  
(2) the Launch Contractor

The Launch Contractor is a subsidiary of CASC and CASC and its associates are interested in approximately 57.14% interests in APT International, which in turn is a substantial shareholder of the Company holding approximately 51.82% 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 7B 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 between 15 July 2012 and 15 October 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 7B 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\$67,000,000 (approximately HK\$522,600,000), subject to deduction.

APT (HK) shall pay the first payment equivalent to US\$3,250,000 (approximately HK\$25,350,000) within 30 days upon receipt of notification of payment by the Launch Contractor, provided that such payment shall no later than 31 January 2011.

Subject to the Optional Services, the remaining of the contract price shall be paid by APT (HK) to the Launch Contractor not later than 2 months prior to the launch.

All payments under the Launch Services Agreement 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 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, 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 Agreement, 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 Agreement for APSTAR 7B Satellite, the Launch Contract shall upon APT (HK)'s request offer better or more favourable terms and conditions, including prices, to APT (HK).

Major Condition : The Launch Services Agreement 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 Agreement:

(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 Agreement 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 Agreement 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 Agreement. 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 7B 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 7B 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\$2,000,000 (approximately HK\$15,600,000). The amount of consideration payable for the Optional Services will be subject to actual usages.

Governing law : PRC laws.

### **Basis of consideration**

The contract price and the terms of the APSTAR 7B Satellite Launch Services Agreement 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 entering into the APSTAR 7B Satellite Launch Service Agreement is in line with the Company's backup plan for the replacement of APSTAR 2R Satellite. In the event that the launch of APSTAR 7 Satellite fails, APT (HK) will launch APSTAR 7B Satellite to replace APSTAR 2R Satellite before its expected expiration by the end of 2012.

The Directors (excluding 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 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 APSTAR 7B Satellite Launch Services Agreement, pursuant to which it shall provide the launch and associated services of the APSTAR 7B Satellite on launch vehicle LM-3B enhanced version at the Xichang Satellite Launch Center at Xichang in Sichuan Province, PRC.

### **CO-OPERATION AGREEMENT**

Date : 23 April 2010

Parties : (1) APT (HK)  
(2) China Satcom

China Satcom is a subsidiary of CASC and CASC and its associates are interested in approximately 57.14% interests in APT International, which in turn is a substantial shareholder of the Company holding approximately 51.82% interest in the Company, China Satcom is therefore a connected person of the Company under the Listing Rules.

Subject Matter : China Satcom and APT (HK) will co-operate in the procurement of APSTAR 7B Satellite.

China Satcom will arrange financing to APT (HK) for the specific purpose of payment of the progress payments under the APSTAR 7B Satellite Procurement Contract.

In the event that launch of APSTAR 7 Satellite is successful and in commercial operation, APT (HK) will assign all APT (HK)'s rights under the APSTAR 7B Satellite Procurement Contract, the Launch Service Agreement and the insurance policies (if any) in respect of APSTAR 7B Satellite, on an as-is basis, to China Satcom. Such assignments shall be collectively referred to as the "Assignment".

APT (HK) is entitled to launch APSTAR 7B Satellite to replace APSTAR 2R Satellite no later than 30 September 2012 in the event of (i) the delay in delivery of APSTAR 7 Satellite or (ii) failure in the launch of APSTAR 7 Satellite provided that APT (HK) shall inform China Satcom of the same no later than 30 September 2012 in written.

APT (HK) shall indemnify China Satcom all costs and expenses reasonably incurred upon receipt of invoices, subject to a maximum of US\$500,000 (approximately HK\$3,900,000) in case the conditions precedent for the Assignment shall not be satisfied. APT (HK) shall repay all loan and interest accrued under the Loan Agreement (as described below) received by no later than 31 December 2012.

- Conditions Precedent for the Co-operative Agreement to become effective :
- (i) the Satellite Contractor and APT (HK) sign the APSTAR 7B Satellite Procurement Contract, the relevant reporting, announcement and independent shareholders' approval requirement in respect of the APSTAR 7B Satellite Procurement Contract under the Listing Rules be complied and the APSTAR 7B Satellite Procurement Contract becomes effective; and
  - (ii) the relevant reporting, announcement and approval requirement under the Listing Rules in respect of the Co-operation having been complied with.

- Precedents for the Assignment : The Assignment is conditional on the success in the launch of APSTAR 7 Satellite to designated orbital position and the relevant in-orbit tests are successful and APSTAR 7 Satellite is in commercial operation, replacing APSTAR 2R Satellite during the first half of 2012.
- Consideration : (1) China Satcom will be assigned all rights and liabilities under the APSTAR 7B Satellite Procurement Contract at a consideration equal to all payments (including the down payment) made by APT (HK).
- (2) In respect of the APSTAR 7B Satellite Launch Services Agreement and insurance policy in respect of the launch has been taken by APT (HK) for APSTAR 7B Satellite, the same will be assigned to China Satcom at cost.
- Shareholders and investors should note that APT (HK) may not take out insurance policy until 2012, the premium payable will be subject to market conditions.
- Payment of consideration for the Assignment : (i) 50% of the consideration shall be paid by China Satcom upon receipt of written notice of assignment by APT (HK); and
- (ii) the remaining 50% of the consideration shall be paid by China Satcom upon the unconditionally entering into the amendment to the APSTAR 7B Satellite Procurement Contract by APT (HK), China Satcom and the Satellite Contractor.
- Title and Risk : The transfer of all risks under the APSTAR 7B Satellite Procurement Contract, the Launch Services Agreement and insurance policy (if any) in respect of the launch (including but not limited to risks of technology, commerce, launch, test and monitoring) shall pass to China Satcom upon completion of the transaction contemplated under the Co-operation Agreement.

- Termination : Each party to the Co-operation Agreement may terminate the Co-operation Agreement by 7 days prior written notice without any liability if:
- (a) the other party to the Co-operation Agreement breaches or fails to comply any provision of the Co-operation Agreement and fails to remedy within 30 days of its receipt of a notice regarding its breaches or defaults; or
  - (b) any Force Majeure which can not be resolved within 90 days since its occurrence; or
  - (c) the non-satisfaction of the conditions precedent for the Assignment within specified time; or
  - (d) agreed by all parties to the Co-operation Agreement.
- Undertakings : APT (HK) shall not alter the design of APSTAR 7B Satellite or the terms of the APSTAR 7B Satellite Procurement Contract, the Launch Service Agreement or the insurance policy without the prior consent of China Satcom.
- Governing law : PRC laws.

### **Basis of consideration and use of proceeds**

The consideration payable by China Satcom is arrived at with reference to the price payable by APT (HK) under the relevant satellite procurement contract, launch service agreement and insurance policy. The proceeds received by APT (HK) in respect of the assignment of rights under the APSTAR 7B Satellite Procurement Contract. APSTAR 7B Satellite Launch Services Agreement and the insurance policy to be taken will be applied by APT (HK) to repay the loan it received under the Loan Agreement (as more particularly described below).

### **Reasons and benefits for entering into the transaction**

Notwithstanding the possibility of an unsuccessful launch of APSTAR 7 Satellite is low, as a precautionary action, APT (HK) has to enter into the APSTAR 7B Satellite Procurement Contract as soon as practicable for the backup plan to replace APSTAR 2R Satellite. China Satcom also requires the acquisition of a satellite for its commercial operation in a longer term. The parties will both benefit from the synergy as a result of the entering into of the Co-operation Agreement whereby the cost of entering into satellite procurement contracts will be reduced and the risk thereof is better controlled. Given the consideration payable by China Satcom is arrived at with reference to the

price payable by APT (HK) under the relevant satellite procurement contract, launch service agreement and insurance policy, it is not expected that the Company will have any significant gain on the Assignment. Nevertheless, the Company's cost incurred in respect of this backup plan is expected to be aggregated financial cost in respect of the Loan Agreement.

The Directors (excluding 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 of China Satcom**

China Satcom is a wholly-owned subsidiary of CASC, which is a state-owned corporation and is principally a holding group company whose members are respectively engaged in the research, design, manufacture and launch of aerospace products. China Satcom is a renowned satellite operator in Mainland China providing satellite communication services.

### **LOAN AGREEMENT**

Date : 23 April 2010

Parties : (1) APT (HK); and  
(2) the Lender

To the best of the directors' knowledge, information and belief, having made all reasonable enquiry, the Lender is a subsidiary of China Satcom and thus a connected person of the Company.

Facility Amount : The Lender will provide a facility of up to Euro 100,000,000 or equivalent amount in US dollars (approximately HK\$1,027,300,000) for the specific purpose of payment of the progress payments under the APSTAR 7B Satellite Procurement Contract.

Period : The facility will be made to APT (HK) by instalments no later than 3 business days prior to each progress payment date under the APSTAR 7B Satellite Procurement Contract, provide that an irrevocable drawdown notice is issued to the Lender 10 days prior to each drawdown.

Interest rate : Cost of fund of the Lender, which will be determined with reference to the then prevailing bank lending rate immediately prior to each progress payment under the APSTAR 7B Satellite Procurement Contract

- Conditions Precedent for drawdown : The Company having complied with applicable reporting, announcement and independent shareholders' approval requirement under the Listing Rules.
- Repayment : APT (HK) shall repay the facility together with all interests accrued thereon in full no later than 31 December 2012.
- In the event that the Assignment does not occur due to non-satisfaction of the precedents for the Assignment, APT (HK) shall repay (i) 5% of the facility no later than 30 September 2012 and (ii) the remained 95% shall be repaid no later than 31 December 2012, together with all interests accrued.
- Prepayment : APT (HK) may prepay all or part of the facility and interests payable, without penalty.
- Default : If APT (HK) fails to repay (including the interest accrued) on or before 31 December 2012 (or other date agreed by the parties to the Loan Agreement), an interest representing the Lender's cost of fund on the unpaid amount shall be payable from the due date to the date of full repayment.
- Governing law : Hong Kong laws

### **Reasons and benefits for entering into the transaction**

In view of the co-operative nature of the transactions contemplated under Co-operative Agreement, the rights of the APSTAR 7B Satellite Procurement Contract will be transferred and assigned to China Satcom upon fulfilment of the transfer conditions thereunder and that China Satcom will have to pay a consideration representing all progress payments made by APT (HK), the low possibility of an unsuccessful launch of APSTAR 7 Satellite, the loan made by the Lender will facilitate and serve as an orderly and smooth payment of the progress payments by China Satcom and alleviate the financial burden on APT (HK). Further, it is expected that the Lender is able to obtain a more favourable interest rate from banks than APT (HK).

### **Information on the Lender**

The Lender is a wholly-owned subsidiary of China Satcom and its principal activities comprise provision of satellite communications engineering services and related services.

## **LISTING RULES REQUIREMENTS**

The satellite procurement contract in respect of APSTAR 7 Satellite entered into with the Satellite Contractor in September 2009 was a very substantial acquisition based on the relevant percentage ratios. Given that such contract was approved by the Shareholders in general meeting of the Company and the consideration payable under the APSTAR 7B Satellite Procurement Contract exceeds 25% but is less than 100% of the audited consolidated total assets of the Company as at 31 December 2009 and the market capitalisation of the Company, the transaction contemplated under the APSTAR 7B Satellite Procurement Contract constitutes a major transaction of the Company under the Listing Rules. APT International, the substantial shareholder of the Company holding approximately 51.82% interest in the Company, has approved the APSTAR 7B Satellite Procurement Agreement.

The APSTAR 7B Satellite Launch Service Agreement constitutes a connected transaction of the Company given the Launch Contractor is a subsidiary of CASC and CASC and its associates are interested in approximately 57.14% interests in APT International. As such, the APSTAR 7B Satellite Launch Service Agreement is subject to Independent Shareholders' approval at the SGM under Rule 14A.18 of the Listing Rules. Given that APT (HK) entered into a launch service agreement with the Launch Contractor in respect of APSTAR 7 Satellite in November 2009, the values and the aggregate consideration payable under the two launch service agreements are aggregated. The aggregated value and aggregated consideration represent more than 25% but less than 100% of the audited consolidated total assets of the Company as at 31 December 2009 and the market capitalisation of the Company, respectively and the APSTAR 7B Satellite Launch Service Agreement constitutes a major transaction of the Company.

As China Satcom is a subsidiary of CASC, China Satcom is therefore a connected person of the Company under the Listing Rules. The Co-operation Agreement and the transactions and arrangements contemplated thereunder (being loan facility arranged by a subsidiary of China Satcom to APT (HK) under the Loan Agreement and the assignment of rights of APT (HK) under the APSTAR 7B Satellite Procurement Contract, the APSTAR 7B Satellite Launch Services Agreement and the insurance policy in respect of APSTAR 7B Satellite in case APSTAR 7 Satellite is successfully launched and in commercial operation) will constitute connected transactions of the Company. As such, the Co-operation Agreement is subject to Independent Shareholders' approval at the SGM under Rule 14A.18 of the Listing Rules. The transactions contemplated under the Co-operation Agreement also constitute a very substantial disposal of the Company given the expected maximum aggregate consideration payable in respect of the assignment of rights exceeds 75% of the total assets and market capitalisation of the Company.

APT International, China Satcom, CASC and their respective associates will be required to abstain from voting in respect of the resolutions approving the Co-operation Agreement, the APSTAR 7B Satellite Launch Service Agreement and the respective transactions and arrangements contemplated thereunder.

The provision of loan facility by the Lender, a subsidiary of China Satcom, under the Loan Agreement is without security and on normal commercial terms. As such, the financial assistance provided thereunder is exempt from disclosure and independent shareholders approval requirement pursuant to Rule 14A.65(4) of the Listing Rules.

## **GENERAL**

A circular containing, among other things, details of the APSTAR 7B Satellite Procurement Contract, the APSTAR 7B Satellite Launch Service Agreement, the Co-operation Agreement and the Loan Agreement and the notice of the SGM 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 APSTAR 7B Satellite Launch Service Agreement and the Co-operation Agreement and advise the Independent Shareholders as to whether the transactions and arrangements contemplated thereunder 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 and arrangements under the APSTAR 7B Satellite Launch Service Agreement and the Co-operation Agreement 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 26 April 2010 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 27 April 2010 has been made by the Company.

## **DEFINED TERMS USED IN THIS ANNOUNCEMENT**

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

“APSTAR 7B Satellite”	Spacebus 4000 C2 Platform having 28 C-band and 23 Ku-band high power geostationary communications satellite
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“APSTAR 7B Satellite Launch Services Agreement”	the agreement dated 23 April 2010 entered into between APT (HK) and the Launch Contractor for the provision of launch and associated services of the APSTAR 7B Satellite at the Xichang Satellite Launch Center at Xichang in Sichuan Province, PRC
“APSTAR 7B Satellite Procurement Contract”	a contract for the procurement of APSTAR 7B Satellite dated 23 April 2010 between APT (HK) and the Satellite Contractor in respect of the manufacturing and delivering on ground the APSTAR 7B 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 51.82% 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
“Board”	the board of directors of the Company
“Business Day”	a day other than Saturday and Sunday on which banks are open for business in Hong Kong and Paris
“CASC”	China Aerospace Science & Technology Corporation
“China Satcom”	中國衛星通信集團公司 (China Satellite Communications Corporation), a state-owned enterprise in the PRC
“Company”	APT Satellite Holdings Limited, a company incorporated in Bermuda
“Deliverable Items”	the APSTAR 7B Satellite and other deliverable items, including but not limited to the dynamic satellite simulator, satellite control centre, base band subsystem to be delivered by the Satellite Contractor under the APSTAR 7B Satellite Procurement Contract

“Effective Date”	the date when (i) the both the Satellite Contractor and APT (HK) sign the APSTAR 7B Satellite Procurement Contract; and (ii) the amount of the down payment has been credited to the Contractor’s bank account. If APT (HK) has made the down payment within 3 Business Days after the date of signing of the Satellite Procurement Contract, the Effective Date shall be the date of signing of the Satellite Procurement Contract
“Euro”	the official currency of member states of the European Union
“Export Licence”	any governmental (except the People’s Republic of China) export licences, permits, consents, approvals, authorizations or the like required
“Force Majeure”	any event beyond the reasonable control of any party and shall include but not limited to: (i) acts of God; (ii) acts of a public enemy; (iii) acts of a government; (iv) war and warlike events; (v) catastrophic weather conditions such as hurricanes, tornadoes or typhoons; (vi) fire, earthquakes, floods, epidemics, quarantine restriction, strikes, lockouts or other industrial disputes, sabotage, riots, embargoes; and (vii) other unforeseen and extraordinary events, which in every case are beyond the reasonable control and without fault or negligence of any party
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the legal currency of Hong Kong
“Independent Third Party(ies)”	person(s), or in the case of companies, their ultimate beneficial owner(s), who are independent of and not connected with the Company and its subsidiaries and its connected persons or in the case of a corporation (the ultimate beneficial owner) their respective associates (“connected persons” and “associates” as defined in the Listing Rules)
“Independent Shareholders”	Shareholders other than APT International, CASC and their respective Associates

“Launch Contractor”	中國長城工業公司 China Great Wall Industry Corporation, a company registered under the laws of the PRC and a subsidiary of CASC
“Lender “	China Satellite Communications (Hong Kong) Corporation Limited, a company incorporated in Hong Kong and a subsidiary of China Satcom
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan Agreement “	the loan agreement dated 23 April 2010 between APT (HK) as borrower and the Lender as lender
“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
the “PRC”	the People’s Republic of China
“Satellite Contractor”	Thales Alenia Space France, a company incorporated under the laws of France and a wholly owned subsidiary of TAS
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and approving the APSTAR 7B Satellite Launch Service Agreement and the Co-operation Agreement and the transactions and arrangement contemplated thereunder
“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
“TAS”	Thales Alenia Space, a company incorporated under the laws of France

*An exchange rate of Euro 1 to HK\$10.273 has been adopted as the conversion rate of Euro into HK Dollars and an exchange rate of US\$ 1 to HK\$7.8 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.*

\* *English translation of the name of Chinese entries is for reference only.*

By Order of the Board  
**Dr. Brian Lo**  
Company Secretary

Hong Kong, 26 April 2010

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:*

Lui King Man, Lam Sek Kong and Cui Ligu