

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

MAJOR AND CONNECTED TRANSACTION **Satellite contract in respect of APSTAR 9 Satellite**

On 22 November 2013, APT (HK), a wholly-owned subsidiary of the Company, entered into the Satellite Contract with the Contractor in respect of the manufacturing, delivery and launching of the APSTAR 9 Satellite, a DFH-4 series platform having 32 C-band transponders and 14 Ku-band transponders high power geostationary communications satellite.

As the percentage ratios in respect of the transactions contemplated under the Satellite Contract exceed 25% but are less than 100%, the Satellite Contract and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

Furthermore, CASC and its associates are interested in an aggregate of approximately 57% equity interest in APT International, which in turn is a substantial shareholder of the Company holding approximately 51.67% of the issued share capital of the Company as at the date of this announcement. In addition to the shareholding held by APT International, CASC and its associates (including the Contractor) are also interested in an aggregate of another approximately 3.33% of the issued share capital of the Company as at the date of this announcement. The Contractor, being an indirectly-owned subsidiary of CASC, is therefore a connected person of the Company. Accordingly, the Satellite Contract and the transactions contemplated thereunder also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As such, the Satellite Contract and the transactions contemplated thereunder are subject to Independent Shareholders' approval at a special general meeting of the Company. APT International, CASC and their associates will be required to abstain from voting in respect of the resolution approving the Satellite Contract and the transactions contemplated thereunder.

An Independent Board Committee will be formed to consider the terms of the Satellite Contract and advise the Independent Shareholders as to whether the transactions contemplated under the Satellite 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 and the Independent Shareholders in this regard.

A circular containing (i) details of the Satellite Contract; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Satellite Contract; (iii) the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Satellite Contract; (iv) a notice of the special general meeting of the Company; and (v) other information as required by the Listing Rules is expected to be despatched to the Shareholders on or about 13 December 2013.

THE SATELLITE CONTRACT

On 22 November 2013, APT (HK), a wholly-owned subsidiary of the Company, entered into the Satellite Contract with the Contractor in respect of, inter alia, the manufacturing, delivery and launching of the APSTAR 9 Satellite, a DFH-4 series platform having 32 C-band (39.5 x 36MHz equivalent) transponders and 14 Ku-band (21 x 36 MHz equivalent) transponders high power geostationary communications satellite. The major terms and conditions of the Satellite Contract are as follows:

Date: 22 November 2013

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

Subject matter:

The Contractor will (a) manufacture, deliver, and launch the APSTAR 9 Satellite to APT (HK) in accordance with the delivery schedule as set out in the Satellite Contract, including, inter alia, (i) the design, manufacture, assembly and test of the APSTAR 9 Satellite; (ii) the launch of the APSTAR 9 Satellite using the Launch Vehicle at the launch site; (iii) launch and early orbit phase, operation and positioning of the APSTAR 9 Satellite and in-orbit tests; and (iv) the delivery, installation and commissioning of the APSTAR 9 Satellite and other Deliverable Items necessary for the proper operations of the APSTAR 9 Satellite, including but not limited to dynamic satellite simulator, base band subsystem and satellite control centre software; (b) online support for in-orbit operation throughout the Service Life of the APSTAR 9 Satellite; (c) on site support; and (d) the procurement of launch and on-orbit insurance for the APSTAR 9 Satellite which commences at the point in time during the launch countdown when the engine start command is sent to the Launch Vehicle for the purpose of Launch until the end of the first year period after the Launch.

The Contractor undertakes to perform the technical interface between the APSTAR 9 Satellite and the designated launch vehicle ensuring full compatibility between the APSTAR 9 Satellite and the designated launch vehicle according to its interface manual.

The Contractor will provide drifting of an in-orbit satellite (the “**Other Satellite**”) to be operated by APT (HK) at the designated orbital position for the purposes of operation and bring into use ITU filings of the designated orbital position.

APT (HK) may also order the Optional Services or Items from the Contractor.

Contract price:

The total contract price under the Satellite Contract comprises:

- (a) the contract baseline price (the “**Contract Baseline Price**”) for the in-orbit delivery of the APSTAR 9 Satellite and the performance of the services by the Contractor under the Satellite Contract: US\$211,200,000;
- (b) the drifting fee of the Other Satellite: US\$3,020,000 and the use by the Contractor or the Contractor’s designated party non-contiguous 36 MHz Extended C-band transponder capacity for a total of 24 months (which is equivalent to US\$1,500,000); and
- (c) in the event that the Contractor is able to deliver the APSTAR 9 Satellite to the launch site on or before 10 September 2015, APT (HK) will pay to the Contractor for the specific incentive payment of US\$1,500,000 within 30 days after the In-Orbit Delivery.

APT (HK) shall pay 20% of the Contract Baseline Price during the satellite construction period upon completion of each applicable milestone, the first payment (being 5% of the Contract Baseline Price) to be paid within 15 days from the Effective Date. The remaining 80% of the Contract Baseline Price shall be paid after the occurrence of the In-Orbit Delivery.

APT (HK) shall pay the drifting fee of US\$2,320,000 within 15 days from the Effective Date and US\$700,000 within 15 days from the fulfillment of the precondition that the Other Satellite can be operated in the designated position for at least 3 months. The 36 MHz Extended C-band transponder capacity shall be assigned by APT (HK) to the Contractor or the Contractor’s designated party within 15 days from the Effective Date.

In the event that APT (HK) orders any Optional Services or Items under the Satellite Contract, APT (HK) shall pay to the Contractor for the Optional Services or Items in accordance with the price list in the Satellite Contract within 15 days after the delivery of such Optional Services or Items.

APT (HK) may make early payment, at its sole discretion, for part or all of the Contract Baseline Price. Such early payment shall be derived by discounting at the then prevailing market interest rate to be mutually agreed by the parties.

The Contractor shall put at risk a total sum of US\$11,500,000 out of the Contract Baseline Price as certain performance incentive of the APSTAR 9 Satellite. In the event that the Contractor fails to earn any part of such incentive as determined by reference to the criteria and formulae set out in the Satellite Contract, the Contract Baseline Price will be deducted by the amount of the performance incentive not so earned.

Major conditions:

The Satellite Contract is subject to the Independent Shareholders having approved the Satellite Contract and the transactions contemplated thereunder at a special general meeting of the Company. If the approval of the Independent Shareholders is not obtained within 50 days after the signing date of the Satellite Contract, the Satellite Contract shall be deemed terminated, unless otherwise agreed by the parties.

The Contractor shall apply for and seek the approval or ratification of the Satellite Contract by the relevant PRC governmental authority as soon as possible and within 1 year from the date on which the Satellite Contract is entered into between the parties (or such extension as mutually agreed by the parties). If the Contractor shall fail to obtain such approval or ratification of the Satellite Contract within the said period of time, the Contractor shall, within 2 months after such failure, refund to APT (HK) all amounts of the Contract Baseline Price received by the Contractor and thereafter the Satellite Contract shall be deemed to be terminated by the parties and without prejudice to other rights and claims accrued to the parties including but not limited to interests prior to the termination of the Satellite Contract.

Delivery:

The Contractor shall deliver the satellite control centre, base band subsystem and dynamic satellite simulator in accordance with the delivery schedule in the Satellite Contract. The Contractor shall procure the Launch of the APSTAR 9 Satellite on or before 15 October 2015 and the In-Orbit Delivery of the Satellite on or before 30 November 2015.

If the APSTAR 9 Satellite is not delivered for Ground Delivery upon the delivery date in accordance with the delivery schedule or such other date as may be adjusted under the Satellite Contract, the Contractor agrees to pay to APT (HK) as liquidated damages in the range from US\$50,000 to US\$90,000 for each day of delay progressively within the first 90 days, and US\$120,000 for each day of delay commencing from the 91st day of delay.

If the In-Orbit Delivery of the APSTAR 9 Satellite is delayed in excess of the total cumulative days delayed for the Ground Delivery, the Contractor agrees to pay to APT (HK) US\$135,000 as liquidated damages for each excess day of delay.

The maximum liquidated damages for late delivery of the APSTAR 9 Satellite payable by the Contractor to APT (HK) is US\$8,000,000.

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 9 Satellite due to the reason of the Contractor, other than the right to terminate by the Contractor under the Satellite Contract.

Title and risk:

Title and ownership of all Deliverable Items including the APSTAR 9 Satellite together with their respective control and possession shall be transferred from the Contractor to APT (HK) upon the In-Orbit Delivery of the APSTAR 9 Satellite which shall take place at the same time of final acceptance of the APSTAR 9 Satellite on the Transfer Date.

All risks of loss, defect, manufacturing, failure or damage to all the Deliverable Items including the APSTAR 9 Satellite shall pass from the Contractor to APT (HK) upon the transfer of the title and ownership of the APSTAR 9 Satellite.

Termination:

Termination for convenience

APT (HK) may, before the Launch, by written notice to the Contractor, terminate the Satellite Contract in whole or in part, for its convenience. Upon receipt of a notice of such partial or complete termination before Launch by APT (HK), the Contractor shall take such action as may be necessary, or as APT (HK) may direct, for the protection and preservation of the APSTAR 9 Satellite or other Deliverable Items or any part thereof which is in possession of the Contractor or any subcontractor and in which APT (HK) has or may acquire an interest. In such event, APT (HK) shall pay the termination charges applicable to any portion of the work under the Satellite Contract, being the total direct costs incurred by the Contractor in the performance of the work prior to the termination of the Satellite Contract, including the reasonable costs properly incurred with respect to termination and settlement with vendors and subcontractors as a result of such termination, plus a 6% charges on such costs. The obligations of APT (HK) to pay the above termination charges shall replace APT (HK)'s obligations to pay the Contract Baseline Price (or in case of termination in part, the Contract Baseline Price for the terminated portion of the Satellite Contract) and any payment of the Contract Baseline Price previously paid by APT (HK) shall be treated as payment of the termination charges and the Contractor shall refund any surplus to APT (HK) within 30 days after termination.

APT (HK) shall not have any right to terminate for convenience of the Satellite Contract in whole or in part after Launch.

Termination for default

APT (HK) may, before the Launch, terminate the Satellite Contract in whole or in part by written notice of default if:

- (a) the Contractor fails to deliver the APSTAR 9 Satellite into the designated orbital position on or before 180 days after 30 November 2015 or such other date as may be adjusted under the Satellite Contract;
- (b) the Contractor fails to perform any of its material obligations (including the refusal to deliver the APSTAR 9 Satellite after Launch to APT (HK) other than the total loss or constructive total loss within the meanings as set out in the Satellite Contract, the default of payment of liquidated damages in due time by the Contractor, if any) under the Satellite Contract, and has not rectified such failure within 45 days after receipt from APT (HK) of a written notice of such default;
- (c) the 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 filling thereof;
or
- (d) the approved governmental authorization applied by the Contractor was withheld or cancelled due to the default of the Contractor.

Upon such partial or complete termination before Launch by APT (HK), the Contractor shall, within 2 months reimburse to APT (HK) any amount paid to the Contractor by APT (HK) under the Satellite Contract up to the date of termination less the liquidated damages already paid by the Contractor plus 6% of such amount.

APT (HK) is not entitled to exercise its contract termination rights after the Launch of the APSTAR 9 Satellite except in the event that the Contractor fails to deliver the Satellite to APT (HK) after Launch for any reason other than the total loss or constructive total loss within the meanings as set out in the Satellite Contract, APT (HK) may subject to its sole discretion either to (a) terminate the Satellite Contract due to the default of the Contractor, and the Contractor shall within 2 months reimburse to APT (HK) any amount paid to the Contractor by APT (HK) under the Satellite Contract up to the date of termination less the liquidated damages already paid by the Contractor plus 6% of such amount; or (b) apply to the court for specific performance enforcing the Contractor to deliver the APSTAR 9 Satellite and such other Deliverable Items which have not been delivered by the Contractor to APT (HK).

The Contractor will be entitled, 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 Contractor within 45 days after such payment has become due and payable;
- (b) if APT (HK) fails to perform any of its material obligations under the Satellite Contract, and has not rectified such failure within 45 days after receipt from the Contractor of a written notice of such default; or
- (c) APT (HK) 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.

Upon such work stoppage, APT (HK) shall not be entitled to any refund of any amounts paid and any amounts then due to be paid to the Contractor shall continue to be payable by APT (HK), and APT (HK) shall indemnify the Contractor against all reasonable costs and expenses, including such interests, reasonably and properly incurred by the Contractor in respect of such stoppage and any subsequent resumption of the work, provided that the Contractor shall take all reasonable steps to minimise the occurrence of such costs and expenses.

Indemnity:

Each party shall indemnify and hold harmless the other party, its officers, employees, agents, assignees or successors or any of them (the “**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 Contract until the transfer of title of the APSTAR 9 Satellite to APT (HK) in accordance with the provisions of the Satellite Contract, except to the extent caused by the gross negligence or wilful misconduct of the Indemnitees who suffered the damage.

After Launch, the Contractor shall indemnify and hold harmless APT (HK) and its 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 Launch and the operation of the APSTAR 9 Satellite, provided that such losses or damages are not caused by gross negligence or wilful misconduct of APT (HK). The third party insurance taken by the Contractor to cover its exposure shall include a waiver of subrogation against APT (HK), its employees and/or representatives and insurance companies.

The 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 9 Satellite or any other item delivered or used under or in respect of all activities and services to be performed by the Contractor under the Satellite Contract.

Guarantee:

The Contractor shall arrange the issuance of a parent company guarantee of up to 100% of the Contract Baseline Price by CGWIC, which is the holding company of the Contractor, the supplier and the designated launch agency of the APSTAR 9 Satellite, in favour of APT (HK) in respect of the due performance by the Contractor of the Satellite Contract including the refund of any amount paid by APT (HK) under the Satellite Contract or payment of any indemnity payment or liquidated damage payment under certain circumstances within 2 months after the Effective Date. The obligation of the parent company guarantee shall be valid from the Effective Date up to the expiration of the Service Life of the APSTAR 9 Satellite, or the date on which the Satellite Contract is terminated under the provisions of the Satellite Contract, whichever comes earlier.

Satellite lease option and transponder repurchase option

Within 6 months after the Effective Date or such extension as mutually agreed by the parties, APT (HK) may exercise an option to lease, pursuant to which APT (HK) may, instead of procurement of the APSTAR 9 Satellite and the Deliverable Items, switch to a life-long leasehold interest arrangement (the “**Lease**”). The Lease shall include but not limited to the exclusive right of use and possession, the absolute right to sub-let or sub-license the Deliverable Items (including the APSTAR 9 Satellite) over the period from the date of final acceptance to the expiry of the Service Life, by spreading the then outstanding payment over certain number of equal yearly installments over a number of years from the date of final acceptance. The parties shall negotiate in good faith for the terms and conditions of the Lease within 2 months after the date of exercise of the Lease option by APT (HK) (or such extension as mutually agreed by the parties). If the parties are unable to conclude and sign an agreement for the Lease within the above agreed discussion period, the Lease option shall lapse but all other terms and conditions of the Satellite Contract shall remain valid and effective unless otherwise mutually agreed by the parties.

Within 6 months after the Effective Date or other agreed period of time as mutually agreed by the parties, the Contractor may exercise an option to repurchase from APT (HK) (the “**Repurchase**”) the ownership of the life-long leasehold interest of certain number but not more than 35% of transponders of the APSTAR 9 Satellite (the “**Repurchased Transponders**”), which shall include but not limited to the exclusive right of use and possession, and the absolute right to sub-let or sub-license the Repurchased Transponders over the lifetime of the APSTAR 9 Satellite. The parties shall negotiate in good faith for the terms and conditions of the Repurchase within 2 months after the date of exercise of the Repurchase option by the Contractor (or such extension as mutually agreed by the parties). If the parties are unable to conclude and sign an agreement for the Repurchase within the above agreed discussion period, the Repurchase option shall lapse but all other terms and conditions of the Satellite Contract shall remain valid and effective unless otherwise mutually agreed by the parties.

Basis of consideration and funding of APSTAR 9 Satellite

The contract price and the terms of the Satellite 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 bank loan 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 service. Its strategy is to become one of the leading regional providers of satellite transponder capacity and related services in the Asia Pacific Region.

By developing and launching the APSTAR 9 Satellite, a new satellite, into the designated orbital position, the Group will be able to further expand its satellite transponder capacities and services in the region whereby satisfying the market demands in the transponder capacities of broadcasters and telecommunication operators in the region. Further to the existing APSTAR 5 satellite, APSTAR 6 satellite and APSTAR 7 satellite, the launch of this new satellite to the designated orbital position is in line with the corporate strategies of the Group for expansion and growth and will help achieve various synergies including economies of scale and the formation of cooperation alliance with customers for business development. With reference to the continuing connected transaction as disclosed in the circular of the Company dated 24 November 2011, based on the transponder and communication services master agreement dated 3 November 2011 entered into between the Company and CSCC, the Group is in a position to lease certain transponder capacities from CSCC for the development of customer base progressively in designated orbital position for APSTAR 9 Satellite during its construction period so as to ensure a reasonably high filled up rate for APSTAR 9 Satellite when it is launched. The Directors believe that the launch and operation of APSTAR 9 will bring forth new growth momentum in revenue and profit to the Group.

The Directors (excluding the independent non-executive Directors whose opinion will be provided after reviewing the advice of the independent financial adviser) believe that the terms of the Satellite Contract are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE PARTIES TO THE SATELLITE CONTRACT

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.

The Contractor

The Contractor is a company incorporated in Hong Kong and a wholly-owned subsidiary of CGWIC. The Contractor is specialised in providing design, manufacturing, launch and delivery of satellite system in orbit. CGWIC is a company registered under the laws of PRC and a subsidiary of CASC. CGWIC provides launch and associated services utilizing launch vehicles of the Long March series at the Xichang Satellite Launch Center in the PRC to government and private entities.

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.

LISTING RULES IMPLICATIONS

As the percentage ratios in respect of the transactions contemplated under the Satellite Contract exceed 25% but are less than 100%, the Satellite Contract and the transactions contemplated thereunder constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

Furthermore, CASC and its associates are interested in an aggregate of approximately 57% equity interest in APT International, which in turn is a substantial shareholder of the Company holding approximately 51.67% of the issued share capital of the Company as at the date of this announcement. In addition to the shareholding held by APT International, CASC and its associates (including the Contractor) are also interested in an aggregate of another approximately 3.33% of the issued share capital of the Company as at the date of this announcement. The Contractor, being an indirectly-owned subsidiary of CASC, is therefore a connected person of the Company. Accordingly, the Satellite Contract and the transactions contemplated thereunder also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As such, the Satellite Contract and the transactions contemplated thereunder are subject to Independent Shareholders' approval at a special general meeting of the Company. APT International, CASC and their associates will be required to abstain from voting in respect of the resolution approving the Satellite Contract and the transactions contemplated thereunder.

GENERAL

An Independent Board Committee will be formed to consider the terms of the Satellite Contract and advise the Independent Shareholders as to whether the transactions contemplated under the Satellite 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 and the Independent Shareholders in this regard.

A circular containing (i) details of the Satellite Contract; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Satellite Contract; (iii) the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Satellite Contract; (iv) a notice of the special general meeting of the Company; and (v) other information as required by the Listing Rules is expected to be despatched to the Shareholders on or about 13 December 2013.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

| | |
|----------------------|---|
| “APSTAR 9 Satellite” | a DFH-4 series platform having 32 C-band (39.5 x 36 MHz equivalent) transponders and 14 Ku-band (21 x 36 MHz equivalent) transponders 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, a substantial shareholder of the Company holding approximately 51.67% of the issued share capital of the Company as at the date of this announcement |
| “associate(s)” | the meaning ascribed to it in the Listing Rules |
| “Board” | the board of Directors |

| | |
|-------------------------------|--|
| “CASC” | 中國航天科技集團公司(China Aerospace Science & Technology Corporation), a state-owned corporation established in the PRC |
| “CGWIC” | China Great Wall Industry Corporation, a company registered under the laws of the PRC and a subsidiary of CASC |
| “Company” | APT Satellite Holdings Limited, a limited liability company incorporated in Bermuda, the shares of which are listed on the Stock Exchange |
| “connected person(s)” | the meaning ascribed to it in the Listing Rules |
| “Contractor” | China Great Wall Industry (Hong Kong) Corp. Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of CGWIC |
| “CSCC” | 中國衛星通信集團有限公司(China Satellite Communications Company Limited) (formerly known as 中國衛星通信集團公司 (China Satellite Communications Corporation)), a subsidiary of CASC |
| “Deliverable Items” | the APSTAR 9 Satellite and other deliverable items, including but not limited to, the dynamic satellite simulator, satellite control centre and base band subsystem to be delivered by the Contractor under the Satellite Contract |
| “Effective Date” | the date when the approval of the Independent Shareholders of the Satellite Contract and the transactions contemplated thereunder is obtained at a special general meeting of the Company |
| “Ground Delivery” | the delivery of APSTAR 9 Satellite on the launch site after pre shipment review for the purpose of Launch |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | a committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Satellite Contract |

| | |
|------------------------------|--|
| “Independent Shareholders” | Shareholders other than APT International, CASC and their respective associates |
| “In-Orbit Delivery” | the handover or transfer by the Contractor to APT (HK) of (i) the title and ownership of the APSTAR 9 Satellite and (ii) the right of control and possession of the APSTAR 9 Satellite which shall take place at the same time of final acceptance of the APSTAR 9 Satellite on the Transfer Date |
| “ITU” | International Telecommunication Union |
| “Launch” | the point in time during the launch countdown when the engine start command is sent to the Launch Vehicle for the purpose of Launch followed by either (i) physical separation of the Launch Vehicle from the launch pad and the ground support equipment; or (ii) total loss or destruction of the spacecraft and/or the Launch Vehicle |
| “Launch Vehicle” | a Long March 3B enhanced version (LM-3BE) launch vehicle by which the APSTAR 9 Satellite is to be launched into space |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange |
| “Optional Services or Items” | certain optional services or items to be provided at the launch site during launch campaign or in relation to the ground support system or training and logistics as set out in the Satellite Contract |
| “PRC” | the People’s Republic of China |
| “Satellite Contract” | a contract for the procurement and launch of the APSTAR 9 Satellite dated 22 November 2013 and entered into between APT (HK) and the Contractor in respect of the manufacturing, delivery and launching of the APSTAR 9 Satellite |
| “Service Life” | the period of 15 years or 5,475 days from the date of final acceptance of the APSTAR 9 Satellite |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

| | |
|---------------------------|---|
| “substantial shareholder” | the meaning ascribed to it in the Listing Rules |
| “Transfer Date” | the date on which the In-Orbit Delivery of the APSTAR 9 Satellite takes place |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |

By Order of the Board
APT Satellite Holdings Limited
Dr. Brian Lo
Company Secretary

Hong Kong, 22 November 2013

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:

Lei Fanpei (Chairman), Lim Toon, Yin Yen-liang, Yong Foo Chong, Zhuo Chao, Fu Zhiheng 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