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DISCLOSEABLE TRANSACTION PROVISION OF GUARANTEE

PROVISION OF GUARANTEE

On 20 March 2024, APT (HK), a wholly-owned subsidiary of the Company, entered into a guarantee agreement in favour of the Bank to provide guarantee for the buyer credit loan in the principal amount of US\$116,900,000 (or its equivalent in RMB) made available by the Bank to the Joint Venture (in which the APT (HK) holds 20% of the equity interest).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the provision of the guarantee exceeds 5% but is less than 25%, the provision of the guarantee constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Joint Venture is an indirectly owned subsidiary of CASC and therefore a connected person of the Company. Accordingly, the provision of the guarantee constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules but it is fully exempt pursuant to Rule 14A.89 of the Listing Rules given that it is conducted on normal commercial terms or better and in proportion to the equity interest directly held by APT (HK) in the Joint Venture and is given on a several basis.

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Under the guarantee, APT (HK) assumes joint guarantee liability with the principal debtor, the Joint Venture. The guarantee covers 20% of the following amounts payable by the Joint Venture under the relevant loan agreement (the “**Secured Indebtedness**”):

1. the principal amount of the loan of not exceeding US\$116,900,000 (or its equivalent in RMB) (the exact principal amount is subject to the amount actually advanced by the Bank under the relevant loan agreement) with a loan period of 10 years (and grace period of not exceeding 2 years); and
2. interest (including but not limited to statutory interest, agreed interest, default interest, penalty interest and compound interest), liquidated damages, damages, expenses for realizing the debt (including but not limited to litigation costs, legal fees, notary public fees and execution fees) and any other amounts payable by the Joint Venture (whether payable on the due date or otherwise).

If the Joint Venture fails to pay any of the Secured Indebtedness which is due and payable on time or any other event of default under the loan agreement occurs, APT (HK) shall pay such Secured Indebtedness to the Bank unconditionally and in the manner required by the Bank within 30 days of receipt of the Bank’s written notice of payment.

The period of guarantee shall be 3 years from the date of expiry of the repayment period under the loan agreement. If the debt under the loan agreement becomes due early, the period of guarantee shall be 3 years from the date on the early due date of the last tranche of the debt.

INFORMATION ON THE PARTIES

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), a wholly-owned subsidiary of the Company, 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.

The Joint Venture

The Joint Venture (in which APT (HK) holds 20% of the equity interest) is an associate of the Group established by APT (HK) and the Project Partners in Hong Kong in 2020 to procure and launch the APSTAR 6E Satellite and to provide satellite telecommunication services in Asia Pacific Region.

The Bank

The Bank is PRC state-owned policy bank principally engaged in the provision of a range of banking services and related financial services. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE

The purpose of the loan is for the procurement and launch of APSTAR 6E Satellite. Each of the shareholders of the Joint Venture (including APT (HK)) is required by the Bank to provide guarantees on a several basis in proportion to the equity interest held by them in the Joint Venture. APT (HK)'s liability will be limited to the Secured Indebtedness and it will not be liable for any guarantee provided by any other shareholder.

In view of the above, the Directors are of the view that the provision of the guarantee is on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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The Joint Venture is an indirectly owned subsidiary of CASC and therefore a connected person of the Company. Accordingly, the provision of the guarantee constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules but it is fully exempt pursuant to Rule 14A.89 of the Listing Rules given that it is conducted on normal commercial terms or better and in proportion to the equity interest directly held by APT (HK) in the Joint Venture and is given on a several basis.

DEFINITIONS

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

“APSTAR 6E Satellite”	the APSTAR-6E satellite consisting of 25 forward link transponders and 25 return link transponders
“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 51.90% of the issued share capital of the Company as at the date of this announcement
“Bank”	The Export-Import Bank of China
“Board”	the board of Directors
“CALT”	中國運載火箭技術研究院(China Academy of Launch Vehicle Technology), a wholly-owned subsidiary of CASC
“CASC”	中國航天科技集團有限公司 (China Aerospace Science & Technology Corporation), a state-owned corporation established in the PRC, which holds effectively in aggregate 29.23% interests in the Company, including 26.33% indirect interest of the Company by virtue of holding 50.73% interests in APT International and 2.90% direct interest in the Company as at the date of this announcement
“CAST”	中國空間技術研究院 (China Academy of Space Technology), a wholly-owned subsidiary of CASC
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Joint Venture”	APSTAR Alliance Satcom Limited, the joint venture established by APT (HK) and the Project Partners in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Project Partners”	the shareholders of the Joint Venture other than APT (HK), namely CAST, the Contractor and CALT
“RMB”	Reminbi, the lawful currency of the PRC
“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
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent
“*”	for identification purpose only

By Order of the Board
APT Satellite Holdings Limited
Lau Tsui Ling Shirley
Company Secretary

Hong Kong, 27 March 2024

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

Executive Directors:

Wang Hongbin (*President*) and Yan Zhao (*Vice President*)

Non-Executive Directors:

Sun Jing (*Chairman*), Yin Yen-liang, Fu Zhiheng, Lim Kian Soon, Lim Seng Kong, Li Xiaomei and Tseng Ta-mon (*Alternate Director to Yin Yen-liang*)

Independent Non-Executive Directors:

Lam Sek Kong, Cui Liguu, Meng Xingguo and Yim Ka Man