APSTAR
by APT Satellite

亞太衛星控股有限公司*

APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1045)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement dated 28 September 2023 and the circular dated 22 November 2023 in relation to the Existing Satellite Transmission and Communication Services Master Agreement entered into between the Company and CSCC. As the Existing Satellite Transmission and Communication Services Master Agreement will expire in December 2026 and in view of the need to maintain the provision of services to customers and to strengthen the benefits of synergy between the parties, on 10 September 2026, the Company entered into the CCT Agreement with CSCC in respect of, amongst other things, the provision of satellite communication service and other related professional and management services between the Group and CSCC and/or its associates for the next three years on terms and conditions stipulated in the CCT Agreement.

CASC and its associates are effectively interested in an aggregate of approximately 45.28% interests in APT International, which in turn is 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. Furthermore, CASC and its associates (including a subsidiary of CSCC) are interested in an aggregate of approximately 3.21% of the issued share capital of the Company as at the date of this announcement. CSCC, being a subsidiary of CASC, is therefore a connected person of the Company. Accordingly, the CCT Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Caps are more than 5%, the Non-exempt Continuing Connected Transactions and the Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

* *For identification purpose only*

The SGM will be convened for the Independent Shareholders to approve the CCT Agreement, the Non-exempt Continuing Connected Transactions and the Caps by poll.

A circular containing, among others, (a) further information on the CCT Agreement, the Non-exempt Continuing Connected Transactions and the Caps; (b) the letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders; (c) the recommendation from the independent board committee of the Company; and (d) a notice of the SGM is expected to be dispatched to the Shareholders on or before 2 October 2026 in accordance with the Listing Rules.

INTRODUCTION

Reference is made to the announcement dated 28 September 2023 and the circular dated 22 November 2023 in relation to the Existing Satellite Transmission and Communication Services Master Agreement entered into between the Company and CSCC. As the Existing Satellite Transmission and Communication Services Master Agreement will expire in December 2026 and in view of the need to maintain the provision of services to customers and to strengthen the benefits of synergy between the parties, on 10 September 2026, the Company entered into the CCT Agreement with CSCC in respect of, amongst other things, the provision of satellite communication service and other related professional and management services between the Group and CSCC and/or its associates for the next three years on terms and conditions stipulated in the CCT Agreement.

THE CCT AGREEMENT

Date: 10 September 2026

Parties: The Company
CSCC

Duration: From 1 January 2027 to 31 December 2029, subject to renewal by negotiation between the parties

Service to be provided:

Subject to the terms and conditions of the CCT Agreement, the Company and CSCC have agreed to provide to each other the following services:

1. Based on the actual requirements of CSCC or its associates, the Company or its subsidiaries shall use their satellite resources, telecommunication facilities and industry experience to provide the following services to CSCC or its associates: (i) satellite communication service and (ii) other related professional and management services for satellite and communication, including but not limited to consultancy services in relation to satellite project construction, services in relation to orbital position coordination and licensing services for use of orbital position and communication equipment and facilities (the "**Company's Satellite Services**").

2. Based on the actual requirements of the Company or its subsidiaries, CSCC or its associates shall use their satellite resources, telecommunication facilities and industry experience to provide the following services to the Company or its subsidiaries: (i) satellite communication service and (ii) other related professional and management services for satellite and communication, including but not limited to consultancy services in relation to satellite project construction, services in relation to orbital position coordination and licensing services for use of orbital position and communication equipment and facilities (the "**CSCC's Satellite Services**").

Service fees and pricing basis:

Pursuant to the CCT Agreement, in respect of the Company's Satellite Services or the CSCC's Satellite Services, the Company (or its subsidiaries) and CSCC (or its associates) shall enter into Specific Contract(s) which set out the specific terms including the technical requirements or service fees in accordance with the guidelines set out in the CCT Agreement.

Service fees payable for the Company's Satellite Services or the CSCC's Satellite Services and the commercial terms in the Specific Contracts shall be determined:

(i) based on market-oriented, fair and reasonable principles;

(ii) based on normal commercial terms or better; and

(iii) in accordance with the Company's or CSCC's (as the case may be) prevailing pricing policy or CSCC's or the Company's (as the case may be) prevailing procurement policy.

The services fees for the Company's Satellite Services are determined after the parties have negotiated the terms and conditions of the Specific Contract, making reference to the market price, historical services fees of similar services provided to CSCC or its associates and the service fees of the same or similar services provided to independent third parties (if any) in the same region to ensure that the services fees offered to CSCC or its associates are no less favourable to the Group than those available to independent third parties for the same or similar services in the same region.

Company's Satellite Services

The pricing bases applicable to all end-users across different categories of services are summarized below.

1. *Unit Price*

   For standardized satellite communication services and related services provided from the Group's own resources (such as transponder services, Multiple Channels Per Carrier services, teleport services and co-location services), the service fees are charged at the applicable unit price per month (the "**Unit Price**"), which varies depending on the type of service.

   In general, the Unit Price should fall within the applicable pre-approved range reviewed by the Company regularly. The pre-approved range of Unit Price in respect of a particular type of service is determined by taking into account prevailing market price for the relevant service, existing contract prices for similar services offered by the Company, and current capacity utilization rates, while also aligning with the Company's strategic development plans and revenue expectations. In order to determine the pre-approved range of Unit Price, the Company gathers prevailing market prices from different market channels (such as end-users and related vendors from the satellite industry, industry reports, exhibitions and forums attended), as well as the sales department and market consultants of the Company, and analyzes the market prices of similar services in our principal regions. The Company also collects historical prices of similar services provided by the Company and observes the trends. The most recent average price and utilization rate will be the primary consideration.

   The pre-approved ranges of Unit Price are reviewed annually by the Company with reference to the regional market conditions, the business trend and the development strategy plan of the Company.

2. *Cost-plus pricing*

   For non-standardized services, the service fees are charged on a cost-plus basis, based on the cost of services or products and a net profit margin which shall be determined by the Company after taking into account the type of service and the prevailing market rate. Such services include satellite project management and consultancy services; system integration services; services in relation to the use of communication equipment and facilities; services involving the use of intangible assets, such as licensing service for the use of orbital slot and frequency; services in relation to operation of teleport stations; services in relation to the telemetry, tracking and control and operation of satellites; and technical support services.

CSCC's Satellite Services

1. *Pricing basis*

   The prices of the CSCC's Satellite Services will be determined through arm's length negotiations between the parties, taking into account the end-customer's target price and the prevailing market conditions. Where practicable, the Group will obtain quotations from independent third-party service providers for comparison. In circumstances where such quotations are unavailable (for instance, where CSCC is the only qualified service provider, its satellite resources are designated by the end-customer, independent third parties are reluctant to provide fee quotations due to competition concerns, or it is commercially sensitive for the Group to provide end-customers' information when seeking quotations), the Group will ascertain the prevailing market rates through market research or local consultants. In the event that none of these measures is practicable, a reasonable net profit margin shall be retained for the Group.

2. *Internal procedures*

   The Company has adopted the following internal procedures to ensure the procurement contracts are properly reviewed and approved:

   (i) the staff in-charge is required to ensure that the proposed procurement of services and goods meets the technical specifications of the Company's customer; the relevant departments are responsible for reviewing the payment terms of the procurement contract, the prices or fees proposed compared to the respective budget of the Company, and the other terms and conditions of the procurement contract;

   (ii) the staff of business support department is responsible for reviewing the terms and conditions of the procurement contract to ensure that the same are in line with normal market practices and the standard terms are no less favourable to the Company than those available from independent suppliers, based on certain evaluation criteria of supplier(s), including quality of the services or goods, the prices, reputation, experience, financial soundness, and post-sale services or support provided; and

(iii) the procurement contract will be finally reviewed and approved by the head of the department which requires the procurement and, in the event that the procurement amount exceeds certain specified thresholds (the "**Specified Thresholds**"), further approved by the vice president in-charge and/or president. In case the procurement amount is below the Specified Thresholds, the procurement contract will only be examined and approved by the head of the department which requires the procurement. The Specified Thresholds are regulated by the current authority delegation policy of the Company as approved by the Board.

Payment terms:

Under normal circumstances, the parties shall also agree the payment terms based on the principle of fairness and reasonableness and on normal commercial terms in the Specific Contract(s). Such payment terms may include monthly, quarterly, semi-annual or annual payments or lump-sum payment arrangements.

Condition:

The CCT Agreement is conditional upon the approval by the Independent Shareholders at the SGM.

If any Specific Contracts amount to related party transactions of CSCC under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the entering into of such Specific Contracts will be further subject to any necessary approval of the board of directors and/or the shareholders of CSCC from time to time.

Other terms:

Each party shall pay compensation (including but not limited to compensation for service interruption) to the other party if the Company's Satellite Services or the CSCC's Satellite Services (as the case may be) provided by such party do not meet the service quality undertaken in the Specific Contracts.

PROPOSED CAPS

Caps in respect of the provision of the Company's Satellite Services and the CSCC's Satellite Services

The Board proposes to set the Caps in respect of the provision of the Company's Satellite Services and the CSCC's Satellite Services pursuant to the CCT Agreement for the three financial years ending 31 December 2029 as follows:

	2027 *HK$*	**2028** *HK$*	**2029** *HK$*
Aggregate transaction amount in respect of the provision of the Company's Satellite Services by the Group to CSCC and/or its associates			
Caps	535,000,000	582,000,000	595,000,000
Aggregate transaction amount in respect of the provision of the CSCC's Satellite Services by CSCC and/or its associates to the Group			
Caps	233,000,000	278,000,000	302,000,000

Basis of determination of such Caps:

(i) *Company's Satellite Services*

The proposed Caps in respect of the Company's Satellite Services are determined by the Board by reference to (i) the historical transactions amounts of the relevant services of the existing in-orbit satellites of the Group for the past two years and the current year; (ii) the value of contracts on hand; (iii) the estimates on service contract value and on the potential growth in demand for satellite communication services; (iv) the additional professional and management services for satellite and communication to be provided by the Group to CSCC's associate in relation to APSTAR-6D Satellite and new satellite project(s).

(ii) CSCC's Satellite Services

The proposed Caps in respect of the CSCC's Satellite Services are determined by the Board by reference to (i) the historical transactions amounts of the relevant services of the existing in-orbit satellites of CSCC and/or its associates for the past two years and the current year; (ii) the value of contracts on hand; (iii) the estimates on service contract value and on the potential growth in demand for satellite communication services, including CSCC's new satellites launched and to be launched; and (iv) the estimates of satellite communication services in relation to backup and recovery to the Group's end-user customers under the circumstance of satellite failure or other emergency situation.

INFORMATION OF THE GROUP AND CSCC

The Group

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

CSCC

CSCC is a company which is owned as to 72.31% by CASC. CASC is a state-owned corporation and is a holding group company whose members are respectively engaged in the research, design, manufacture and launch of aerospace products. CSCC is a renowned satellite operator in the Chinese Mainland providing satellite communication services.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The principal businesses of both the Group and CSCC include the provision of satellite transponder services, but each of them possesses its own satellites fleet having different footprint coverage and transponder specification. Due to operating conditions relating to communication and satellite related business in the Chinese Mainland, there are situations where the Group by itself may not be able to satisfy its customers' requirements. As a renowned satellite operator in the Chinese Mainland, CSCC is able to facilitate the Group in satisfying its Chinese Mainland customers' requirements so that the Group can not only strengthen its business relationship with its Chinese Mainland customers, but also pursue new business opportunities in the Chinese Mainland as a result of expanding the availability of satellite transponders.

On the other hand, the Group may, from time to time when its own satellite transponder capacity or specification is unable to meet the requirements of its end-user customers in markets outside the Chinese Mainland, exploit the available satellite transponder of CSCC for provision of service to its customers outside the Chinese Mainland. Meanwhile, the Group may also increase its revenue by providing the transponder service outside the Chinese Mainland to CSCC under the CCT Agreement.

The other related professional and management services for satellite and telecommunication are essential telecommunication services which can help the Group and CSCC provide solution-based services to their respective end-user customers thereby increasing the competitive edges and synergic effect for both the Group and CSCC in market competition.

If the resolution in respect of the CCT Agreement, the Non-exempt Continuing Connected Transactions and the Caps is not approved by the Independent Shareholders, insofar as the CSCC's Satellite Services are concerned, the Group will have to source other suppliers in the market who provide similar services and can meet the specific requirement of the Group's customers. However, it is expected that in many cases the use of CSCC's satellite resources is designated by the Group's customers and thus the Group will no longer be able to accept the relevant orders from such customers and the scope of services which the Group can offer to its customers will be reduced. Further, the Group will no longer receive revenue from the provision of the Company's Satellite Services to CSCC. As a result, the operating performance of the Group will be adversely affected.

The Directors (excluding the independent non-executive Directors whose view will be formed after considering the advice of the independent financial adviser) are of the view that the transactions contemplated under the CCT Agreement will be entered into in the ordinary and usual course of business of the Group and will be on normal commercial terms and the terms thereof and the Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

CASC and its associates are effectively interested in an aggregate of approximately 45.28% interests in APT International, which in turn is 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. Furthermore, CASC and its associates (including a subsidiary of CSCC) are interested in an aggregate of approximately 3.21% of the issued share capital of the Company as at the date of this announcement.

CSCC, being a subsidiary of CASC, is therefore a connected person of the Company. Accordingly, the CCT Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Caps are more than 5%, the Non-exempt Continuing Connected Transactions and the Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of CSCC's interests in the transactions contemplated under the CCT Agreement, APT International, CASC, CSCC and their respective associates will abstain from voting at the SGM in respect of the resolution to approve the CCT Agreement, the Non-exempt Continuing Connected Transactions and the Caps. As at the date of this announcement, APT International, CASC, CSCC and their respective associates were interested in, controlled and were entitled to exercise control over 511,800,750 Shares, representing approximately 55.12% of the issued share capital of the Company.

The SGM will be convened for the Independent Shareholders to approve the CCT Agreement, the Non-exempt Continuing Connected Transactions and the Caps by poll.

The independent board committee comprising four independent non-executive Directors has been appointed to advise the Independent Shareholders on whether the Non-exempt Continuing Connected Transactions and the Caps are in the interest of the Company and the Shareholders as a whole and whether the terms of the Non-exempt Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned. An independent financial adviser, Red Sun Capital Limited, has also been appointed to advise the independent board committee of the Company and the Independent Shareholders regarding the Non-exempt Continuing Connected Transactions and the Caps.

A circular containing, among others, (a) further information on the CCT Agreement, the Non-exempt Continuing Connected Transactions and the Caps; (b) the letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders; (c) the recommendation from the independent board committee of the Company; and (d) a notice of the SGM is expected to be dispatched to the Shareholders on or before 2 October 2026 in accordance with the Listing Rules.

DEFINITIONS

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

"APSTAR-6D Satellite"	the APSTAR-6D satellite owned by APT Mobile Satcom Limited, a joint venture company in which 10% is owned by CSCC and its associates and 30% is owned by the Company. Further details of the establishment of the joint venture were disclosed in the announcements of the Company dated 23 July 2016 and 14 August 2016 and the circular of the Company dated 2 September 2016
"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
"associate(s)"	the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Caps"	the proposed annual caps of the Non-exempt Continuing Connected Transactions for each of the three financial years ending 31 December 2029 as set out under the section headed "PROPOSED CAPS" in this announcement
"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 an aggregate of 26.71% interests in the Company, including (i) 23.50% effective interests in the Company by virtue of holding 45.28% effective interests in APT International and separately (ii) an aggregate of 3.21% interests in the Company as at the date of this announcement
"CCT Agreement"	the satellite communication and related services master agreement dated 10 September 2026 entered into between the Company and CSCC in respect of the provision of satellite communication service and other related professional and management services between the Group and CSCC and/or its associates
"Company"	APT Satellite Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

"connected person(s)"	the meaning ascribed to it in the Listing Rules
"CSCC"	中國衛通集團股份有限公司 (China Satellite Communications Company Limited), a corporation listed on the Shanghai Stock Exchange in the PRC
"Director(s)"	the director(s) of the Company
"Existing Satellite Transmission and Communication Services Master Agreement"	the satellite transmission and communication services master agreement entered into between the Company and CSCC dated 28 September 2023 in respect of the provision of satellite transmission service, value-added service for satellite telecommunication and other related professional and management services between the Group and CSCC and/or its associates for the three years ending 31 December 2026
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Shareholders"	Shareholders other than APT International, CASC, CSCC and any of their respective associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Non-exempt Continuing Connected Transactions"	the transactions in respect of the Company's Satellite Services and the CSCC's Satellite Services contemplated under the CCT Agreement
"normal commercial terms or better"	the meaning ascribed to it in the Listing Rules
"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
"SGM"	the special general meeting of the Company to be held to approve the CCT Agreement, the Non-exempt Continuing Connected Transactions and the Caps
"Shareholders"	shareholders of the Company

"Specific Contract(s)"	the specific contract(s) to be entered into between the Company (or its subsidiaries) and CSCC (or its associates) in respect of the Company's Satellite Services or the CSCC's Satellite Services
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	the meaning ascribed to it in the Listing Rules
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

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

Hong Kong, 10 September 2026

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

Executive Directors:
Wang Hongbin *(President)* and Lu Zheng *(Vice President)*

Non-executive Directors:
Sun Jing *(Chairman)*, Fu Zhiheng, Lim Kian Soon, Li Xiaomei and Leong Kah Fai Keith

Independent Non-executive Directors:
Cui Liguo, Meng Xingguo, Yim Ka Man and Xu Jianhong