
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in APT Satellite Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1045)

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
AMENDMENTS TO THE BYE-LAWS**

A notice convening an annual general meeting of APT SATELLITE HOLDINGS LIMITED to be held at the Satellite Control Centre of the Company, 22 Dai Kwai Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Thursday, 20 May 2004 at 11:00 a.m. (the “Annual General Meeting”) is set out on pages 12 to 18 of this circular. Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrars in Hong Kong, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

23 April 2004

CONTENTS

	<i>Page</i>
Letter from the Chairman	1
Appendix I Explanatory Statement – Share Buy Back	4
Appendix II Procedures by which Shareholders may demand a poll at general meeting pursuant to the Bye-Laws	7
Appendix III Details of Directors proposed to be re-elected at Annual General Meeting	8
Notice of Annual General Meeting	12

LETTER FROM THE CHAIRMAN



APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Chen Zhaobin (*President*)
Tong Xudong (*Vice President*)
Cui Xinzheng (*Vice President*)

Non-executive Directors:

Liu Ji Yuan (*Chairman*)
Zhang Hainan (*Vice Chairman*)
Wong Hung Khim
Lim Toon
Wu Zhen Mu
Wu Jinfeng
Lim Shyong
Tay Chek Khoon
Wu Hongju
Yin Yen-liang
Tseng Ta-mon
Chen Chi-chuan (*Alternate director to Yin Yen-liang*)
Lim Wee Seng (*Alternate director to Lim Shyong*)

Independent Non-executive Directors:

Yuen Pak Yiu, Philip
Huan Guocang

Registered office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Head office and principal

place of business:
22 Dai Kwai Street
Tai Po Industrial Estate
Tai Po, New Territories
Hong Kong

23 April 2004

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
AMENDMENTS TO THE BYE-LAWS**

INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the Annual General Meeting for general mandate to repurchase shares and general mandate to issue shares and amend the bye-laws of the Company (the "Bye-Laws").

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO REPURCHASE SHARES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of Hong Kong Limited (“the Stock Exchange”) of their own securities on the Stock Exchange (“the Share Buy Back Rules”).

An ordinary resolution will be proposed at the Annual General Meeting to grant the Directors of the Company (“the Directors”) a general mandate to exercise the powers to repurchase the Company’s shares up to 10% of the issued and fully paid-up share capital of the Company as at the date of passing of such resolution. An explanatory statement as required under the Share Buy Back Rules to provide the requisite information of the general mandate to repurchase shares is set out in Appendix I hereto.

GENERAL MANDATE TO ISSUE SHARES

Two ordinary resolutions will also be proposed at the Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with shares not exceeding 20% of the issued share capital of the Company at the date of passing of the resolution and adding to such general mandate so granted to the Directors any shares representing the aggregate nominal amount of the shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company at the date of passing of the resolutions.

AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has recently announced amendments to the Listing Rules relating to, inter alia, the articles of association/bye-laws of listed issuers. The Directors therefore propose to amend the following clauses of the Bye-Laws to ensure compliance with the amended provisions of the Listing Rules:

- (i) Bye-Law 76 shall be amended to the effect that where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- (ii) Bye-Law 88 shall be amended to the effect that the minimum length of the period during which the notice of intention to propose a person for election as a director and the notice of the person to be proposed of his willingness to be elected are given shall be at least 7 days and that the period for lodgement of the aforesaid notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting; and

LETTER FROM THE CHAIRMAN

- (iii) Bye-Law 103 shall be amended to the effect that Directors shall abstain from voting at the board meeting on any matter in which he or any of his associates has a material interest and shall not be counted towards the quorum of such board meeting.

With the repeal of the Securities and Futures (Clearing Houses) Ordinance and the enactment of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) on 1 April 2003, it is also proposed that the definition of “clearing house” under Bye-Law 1 shall be amended such that its reference to the Securities and Futures (Clearing Houses) Ordinance shall be deleted.

PROXY

The notice of the Annual General Meeting is set out on pages 12 to 18 of this circular. At the Annual General Meeting, resolutions will be proposed to approve the granting of general mandate on repurchase of shares and the general mandate for Directors to issue new shares, as well as the amendments to the Bye-Laws.

A proxy form for use at the Annual General Meeting is enclosed with this Circular. If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company’s branch share registrars in Hong Kong, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting at the Annual General Meeting if you so wish.

RECOMMENDATION

The Directors consider that the proposed granting of general mandate on repurchase of shares and the general mandate for Directors to issue new shares as well as the amendments to the Bye-Laws are all in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend all shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Your attention is also drawn to the additional information set out in the Appendix I (Explanatory Statement on the share buy back), Appendix II (Procedures by which Shareholders may demand a poll at general meeting pursuant to the Bye-Laws) and Appendix III (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,

Liu Ji Yuan

Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information for your consideration of the proposed mandate on repurchase of shares.

1. REASONS FOR SHARE BUY BACK

Although the Directors have no present intention of repurchasing any shares, they believe that the flexibility afforded by the proposal for repurchase of shares would be in the best interest of the Company and its shareholders. Such purchase may, depending on market conditions and funding arrangement at the time, lead to an enhancement of value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such a purchase will benefit the Company. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when shares are trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of shares repurchased by the Company.

2. SHARE CAPITAL

As at 19 April 2004 (the “Latest Practicable Date” prior to the printing of this circular), the issued share capital of the Company comprised 413,265,000 shares of HK\$0.10 each.

Subject to the passing of Ordinary Resolution Number 4 at the Annual General Meeting, the Company would be allowed under the buy back mandate to repurchase a maximum of 41,326,500 shares on the basis that no further shares will be issued or repurchased from the Latest Practicable Date up to the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

The Directors propose that in repurchasing shares under the buy back mandate, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and the bye-laws of the Company and the laws of Bermuda.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2003) in the event that the buy back mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the buy back mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. MARKET PRICES

The highest and lowest prices for shares of the Company traded on the Stock Exchange during each of the previous twelve months were as follows:

	Shares	
	Highest HK\$	Lowest HK\$
2003		
April	1.400	1.020
May	1.800	1.080
June	3.000	1.680
July	3.925	2.250
August	3.175	2.450
September	3.350	2.200
October	2.450	1.950
November	2.550	2.075
December	2.550	2.225
2004		
January	2.825	2.450
February	2.725	2.350
March	2.475	2.000

5. DISCLOSURE OF INTEREST

The Directors have undertaken to the Stock Exchange that they will exercise the buy back mandate in accordance with the Listing Rules and the laws of Bermuda and in accordance with the memorandum of association and the bye-laws of the Company.

If as a result of share repurchase by the Company, a substantial shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, APT Satellite International Company Limited is deemed to be interested in 214,200,000 shares, which is representing 51.83% of the issued share capital of the Company.

In the event that the Directors should exercise in full the buy back mandate to be granted pursuant to the ordinary resolution to be proposed at the forthcoming Annual General Meeting, the shareholding of APT Satellite International Company Limited would be increased to approximately 57.59% of the issued share capital of the Company. The Directors consider that such repurchase would not give rise to an obligation for APT Satellite International Company Limited to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the buy back mandate to such extent that the public shareholding in the Company would reduce below 25% of the issued share capital of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) presently intend to sell shares to the Company under the buy back mandate in the event that the buy back mandate is approved by the shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any shares, or that they have undertaken not to sell any shares held by them to the Company in the event that the buy back mandate is approved by its shareholders.

6. SHARE PURCHASES MADE BY THE COMPANY

No purchase of shares has been made by the Company nor any of its subsidiaries during the six months preceding the Latest Practicable Date.

The following is setting out the procedures by which the Shareholders may demand a poll at the Annual General Meeting.

According to the Bye-Law 66 of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hand or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of such meeting; or
- (b) at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Stated below are the details of the directors who will be retired and be eligible for re-election at the Annual General Meeting according to the Bye-Laws:

Mr. WONG Hung Khim, aged 65, has been a Director of APT Satellite Company Limited, a subsidiary of the Company, since February 1993 and was appointed as a Director of the Company in October 1996. Mr. Wong was also appointed as a Director of APT Satellite Investment Company Limited, which is subsidiary of the Company. He was also appointed as a Director of APT Satellite International Company Limited, a substantial shareholder of the Company. He graduated from the University of Singapore with Honours in Physics and attended the Advanced Management Programme at Harvard Business School. He spent two years in teaching before joining the Administrative Service of Singapore in 1966. Mr. Wong began his service in the then Ministry of Social Affairs (“MSA”) and later became the Deputy Secretary of the Ministry of Labour. In 1974, he served first as a General Manager and then Executive Director of Singapore Bus Service Ltd. He was the Executive Director of the Port of Singapore Authority from 1979 to 1987. From 1984 to 1987, Mr. Wong was Permanent Secretary of MSA, which subsequently became the Ministry of Community Development. From July 1987, he was appointed the President and CEO of the Telecommunication Authority of Singapore and oversaw its privatization into Singapore Telecommunications Limited (Singapore Telecom) in October 1993. Mr. Wong was appointed President and CEO of Singapore Telecom in March 1992. From May 1995 to September 2000, he served as the Deputy Chairman of Singapore Telecom. From 3 November 1993 to 31 December 1997, Mr. Wong served as Chairman of Jurong Town Corporation. In recognition of his services, Mr. Wong was awarded a Public Administration Meritorious Services Medal in 1992. Mr. Wong is currently the Group Chairman and Chief Executive Officer of Delgro Corporation Limited (formerly known as Singapore Bus Service (1978) Ltd.). Save as disclosed above, Mr. Wong does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the Securities and Futures Ordinance (“SFO”), as at the Latest Practicable Date, Mr. Wong had no interests in shares of the Company. The Company does not have service contract with Mr Wong. The only emolument of Mr Wong in 2003 was director’s fee amounted HK\$50,000. Mr Wong’s emolument in 2004 is yet to be determined.

Mr. WU Zhen Mu, aged 58, was appointed as a Director of the Company in June 1998. Mr. Wu was also appointed as a Director of APT Satellite Company Limited and APT Satellite Investment Company Limited, both of which are subsidiaries of the Company. He was also appointed as a Director of APT Satellite International Company Limited, a substantial shareholder of the Company. Mr. Wu graduated in Manufacturing Engineering of the Beijing Institute of Aeronautics in 1969 and obtained a Master’s degree in Electro-Mechanical Automation in the same institute in 1981. He was a lecturer in Zhengzhou Institute of Aeronautics from 1970 and 1979 and had been a lecturer, associate Professor and Professor in Beijing University of Aeronautics and Aerospace from 1982 to 1993. Since then, he has been appointed as a Professor of the Commission of Science and Technology of China Aerospace Corporation. Save as disclosed above, Mr. Wu does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Wu had no interests in shares of the Company. The Company does not have service contract with Mr Wu. The only emolument of Mr Wu in 2003 was director’s fee amounted HK\$50,000. Mr Wu’s emolument in 2004 is yet to be determined.

Mr. LIM Shyong, aged 53, was appointed as Director of the Company in March 2001. Mr. Lim was also appointed as a Director of APT Satellite Company Limited, APT Satellite TV Development Limited, APT Satellite Vision Limited, APT Satellite Enterprise Limited, APT Satellite Global Company Limited, APT Satellite Link Limited and APT Satellite Investment Company Limited, all of which are subsidiaries of the Company. He was also appointed as a Director of APT Satellite International Company Limited, a substantial shareholder of the Company. Mr. Lim joined SingTel in 1972, after graduating from the University of Singapore with an Electrical Engineering Degree. Mr. Lim's experience in SingTel has extended widely ranging from domestic telecommunication network engineering, national wireless services sales to international telecommunication businesses. In the International Carrier business, he had established relations with important foreign partners and carriers to introduce SingTel's voice and data services globally as well as establishing SingTel's own voice nodes in the liberalised markets. He was also responsible in setting up SingTel's network of oversea offices in Asia, Europe and North America. In the last 3 years, Mr. Lim established SingTel's wholly owned and controlled Global Network Infrastructure for voice and data services as well as deploying it for IP peering in Asia, Europe and the USA. He was also involved in the successful launch of Singapore's first satellite, ST-1 in August 1998. In 1981, Mr. Lim was awarded the French Government Scholarship to pursue the MBA programme at INSEAD (European Institute of Business Administration). In 1991, he was awarded the Public Administration Medal by the Singapore Government for his contributions to the development of Singapore's telecommunications industry. He is currently Executive Vice President of Global Business in SingTel and the Chairman of the Board of C2C Private Limited. Save as disclosed above, Mr. Lim does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Lim had no interests in shares of the Company. The Company does not have service contract with Mr Lim. The only emolument of Mr Lim in 2003 was director's fee amounted HK\$50,000. Mr Lim's emolument in 2004 is yet to be determined.

Mr. TAY Chek Khoon, aged 53, was appointed as Director of the Company in March 2001. Mr. Tay was also appointed as a Director of APT Satellite Company Limited, APT Satellite Telecommunications Limited, APT Satellite TV Development Limited, APT Satellite Vision Limited, APT Satellite Enterprise Limited, APT Satellite Global Limited, APT Satellite Link Limited and APT Satellite Investment Company Limited, all of which are subsidiaries of the Company. He was also appointed as a Director of APT Satellite International Company Limited, a substantial shareholder of the Company. Mr. Tay joined SingTel in 1975, after graduating from the University of Liverpool, United Kingdom with an Engineering Degree. After an extensive training program in Pulse Code Modulation projects and satellite communication work, he was posted to Washington DC USA in 1982 to represent the Intelsat ASEAN Group as the Resident Alternate Governor. Mr. Tay's extensive telecommunication experience in SingTel ranged from media planning for both international submarine cable and satellite network systems to international carrier business. He was Director of International Carrier Business from 1995 where he also obtained the Certificate of International Management from INSEAD. In 1997, he was the Managing Director of International Operations responsible for set-up and management of SingTel's 18 overseas offices to provide regional support for SingTel's corporate clients. In 2000, he was the Vice President of Wholesale Account Management, responsible for managing SingTel's relations with other telecommunication carriers and also managing international and domestic wholesale business. He is now the Vice President of Satellite Business and Global Management responsible for all the satellite business and infrastructure in SingTel including the international gateways and global voice network. Save as disclosed above, Mr. Tay

does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date. Mr. Tay had no interests in shares of the Company. The Company does not have service contract with Mr Tay. The only emolument of Mr Tay in 2003 was director's fee amounted HK\$50,000. Mr Tay's emolument in 2004 is yet to be determined.

Mr. TONG Xudong, aged 40, was appointed as the Executive Director and Vice President of the Company in March and April 2004, respectively. Mr Tong was also appointed as a Director of APT Satellite Company Limited, APT Satellite TV Development Limited, APT Satellite Vision Limited, APT Satellite Enterprise Limited, APT Satellite Global Limited, APT Satellite Link Limited and APT Satellite Investment Company Limited, all of which are subsidiaries of the Company. He was also appointed as a Director of APT Satellite International Company Limited, a substantial shareholder of the Company. Mr. Tong, graduated from Nanjing Aeronautic Institute in 1985 and obtained a master degree from Beijing Institute of Space Mechanics and Electricity, Chinese Academy of Space Technology in 1988. Immediately after his graduation, he served for the Beijing Institute of Space Mechanics and Electricity. In 1993, he further pursued his studies in Samara University of Aeronautics and Astronautics, Russia. From May 1995 to June 2000, he served as the Vice-Director of Beijing Institute of Space Mechanics and Electricity and was appointed as professor in 1998. From June 2000 to December 2003, he was the Director of the same Institute. During this period of his service, Mr. Tong, on the one hand, expanded its markets in response to the vast development of the astronautics industry and the strong market demands; while on the other, he implemented modification and reform in the Institute and as a result, the technical and economic capabilities of the Institute was greatly strengthened. In 2003, he was appointed as the Vice-President of Chinese Academy of Space Technology . He was accredited as an academic and technological leader across the centuries of China Aerospace Corporation. Mr. Tong is a standing committee member of Chinese Society of Space Research and Chairman of the Committee of Recovery and Reentry, Chinese Society of Astronautics. Save as disclosed above, Mr. Tong does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Tong had no interests in shares of the Company. The Company does not have service contract with Mr Tong as at the Latest Practicable Date, however, Mr. Tong will enter into the relevant service contract with the Company in April 2004. Mr Tong's emolument in 2004 is yet to be determined.

Mr. ZHANG Hainan, aged 59, was appointed as Non-executive Director and Vice Chairman of the Company in March 2004. Mr Zhang was also appointed as a Director of APT Satellite Company Limited and APT Satellite Investment Company Limited, both of which are subsidiaries of the Company. He was also appointed as a Director of APT Satellite International Company Limited, a substantial shareholder of the Company. Mr. Zhang graduated from the Northwestern Polytechnical University in 1968 and was accredited as a senior engineer. Since 1984, he has been deputy director of Factory Number 782 and 762, the Ministry of Electronics Industry of China; deputy head and head of the Bureau of Electronics Industry, Shanxi Province; deputy head and head of Shanxi Economic and Trade Commission; and assistant to the governor of the Shanxi Province government, among others. In 2001, he was transferred to China Satellite Communications Corporation as deputy general manager and general manager. Mr. Zhang has many years' experience in government and corporate management. Save as disclosed above, Mr. Zhang does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of

Part XV of the SFO, as at the Latest Practicable Date, Mr. Zhang had no interests in shares of the Company. The Company does not have service contract with Mr Zhang. Mr Zhang's emolument in 2004 is yet to be determined.

Mr. TSENG Ta-mon, aged 46, was appointed as a Director of the Company in July 2003. Mr. Tseng was also appointed as a Director of APT Satellite Company Limited, APT Satellite TV Development Limited and APT Satellite Investment Company Limited, all of which are subsidiaries of the Company. He was also appointed as a Director of APT Satellite International Company Limited, a substantial shareholder of the Company. Mr. Tseng graduated with an LL. B. Degree from National Chengchi University in 1980 and subsequently received the LL. M. Degree from University College London in 1982 and the LL. B. Degree from B.A. at University of Cambridge in 1984 respectively. He also graduated from the Inns of Court School of Law of Middle Temple in 1985 and became Barrister-at-Law in the same year. He was the Specialist of the Board of International Trade from 1985 to 1987. He was also the Partner of Dong & Lee from 1987 to 1992. He has been the Counsel of the Ruentex Group since 1992. Save as disclosed above, Mr. Tseng does not have any relationship with any other directors, senior management, substantial shareholders or controlling shareholders of the Company. In accordance with the meaning of Part XV of the SFO, as at the Latest Practicable Date, Mr. Tseng had no interests in shares of the Company. The Company does not have service contract with Mr Tseng. The only emolument of Mr Tseng in 2003 was director's fee amounted HK\$24,247. Mr Tseng's emolument in 2004 is yet to be determined.

NOTICE OF ANNUAL GENERAL MEETING



APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that an annual general meeting of APT Satellite Holdings Limited (“the Company”) will be held at the Satellite Control Centre of the Company, 22 Dai Kwai Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Thursday, 20 May 2004 at 11:00 a.m. for the following purposes:

Ordinary Business

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and of the auditors for the year ended 31 December 2003.
2. To elect Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To appoint the auditors of the Company and to authorise the Board of Directors to fix their remuneration.

Special Business

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the powers of the Company to purchase shares of HK\$0.10 each in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held.”
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) of this resolution) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements or options which may require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Right Issue (as defined in paragraph (d) of this resolution); or
 - (ii) any exercise of subscription or conversion rights under any warrants of the Company, or any securities which are convertible into shares of the Company, or any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire shares in the Company; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly;

- (c) for the purpose of this Resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the expiration of the period within which the next annual general meeting is required by the Bye-Laws of the Company or any other applicable laws to be held; and
 - (d) for the purpose of this Resolution, “Right Issue” means an offer of shares open for a period fixed by the Directors to shareholders on the register of members of the Company on a fixed record date in proportion to their then holding of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to issue, allot and dispose of shares pursuant to Resolution 5 above be and is hereby extended by the addition to the total nominal amount of share capital and any shares which may be issued, allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the total nominal amount of shares in the capital of the Company which has been purchased by the Company since the granting of such general mandate pursuant to Resolution No. 4 above, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue at the date of this Resolution.”

7. To consider and, if thought fit, to pass with or without amendments, the following resolution as a special resolution:

“**THAT** the Bye-Laws of the Company be amended in the following manner:

(a) Bye-Law 1

- (i) by inserting the definition of “associate” immediately after the definition of “Act” as follows:

“associate” shall have the meaning attributed to it in the rules of the Designated Stock Exchange;

- (ii) by deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or” in the definition of “clearing house”;

NOTICE OF ANNUAL GENERAL MEETING

(b) Bye-Law 76

by re-numbering the existing Bye-Law 76 as Bye-Law 76(1) and immediately after the new Bye-Law 76(1) inserting a new Bye-Law 76(2) as follows:

“Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;

(c) Bye-Law 88

by deleting the existing Bye-Law 88 in its entirety and substituting therefor a new Bye-Law 88 as follows:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”;

(d) Bye-Law 103

by deleting the existing Bye-Law 103 in its entirety and substituting therefor a new Bye-Law 103 as follows:

“(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associate(s) is materially interested, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution) but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company or any its subsidiaries of any security or indemnity to the Director or his associate(s) in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) any contract or arrangement for the giving by the Company or any of its subsidiaries of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement by a Director or his associate(s) to subscribe for shares or debentures or other securities of the Company or any of its subsidiaries to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other members or debenture holders or to the public;
- (iv) any contract or arrangement or proposal concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (vi) any contract, arrangement or proposal concerning any company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associate(s) are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived);
- (vii) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not give the Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to whom such scheme or fund relates; or

NOTICE OF ANNUAL GENERAL MEETING

- (viii) any proposal concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associate(s) may benefit.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) has/have an interest of five(5) per cent or more if and so long as (but only if and so long as) he and /or his associate(s) (either directly or indirectly) is/are the holders of or beneficially interested in five(5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associate(s) is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director and/or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof and any shares comprised in an authorised unit trust scheme in which the Director and/or his associate(s) is/are interested only as a unit holder.
- (3) Where a company in which a Director and/or his associate(s) has/have an interest of five(5) per cent or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

NOTICE OF ANNUAL GENERAL MEETING

- (5) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Bye-Law provided that no Director and/or his associate(s) who is /are materially interested in such transaction shall vote upon such ordinary resolution in respect of any shares in the Company in which they are interested.”

By Order of the Board
Lo Kin Hang, Brian
Company Secretary

Hong Kong, 22 April 2004

Notes:

- (a) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (b) In order to be valid, the form of proxy must be deposited with the Company's branch share registrars in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority, not less than 48 hours before the time appointed for the meeting or adjourned meeting (as the case may be).
- (c) The Register of Members of the Company will be closed from Monday, 17 May 2004 to Thursday, 20 May 2004, both days inclusive, during which period no transfers of shares can be registered.