亞太衛星控股有限公司*

APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1045)

2018 ANNUAL RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

The Board of Directors (the "Board") of APT Satellite Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018.

RESULTS

Revenue

In 2018, the Group's revenue amounted to HK$1,237,712,000 (2017: HK$1,207,440,000), representing an increase of 2.5% amounting to HK$30,272,000 as compared to 2017.

Profit before taxation

In 2018, the Group's profit before taxation amounted to HK$619,628,000 (2017: HK$621,792,000), representing a decrease of 0.3% amounting to HK$2,164,000 as compared to 2017.

Profit attributable to equity shareholders

In 2018, the Group's profit attributable to equity shareholders amounted to HK$507,007,000 (2017: HK$504,557,000), representing an increase of 0.5% amounting to HK$2,450,000 as compared to 2017. Basic earnings per share and diluted earnings per share were HK54.47 cents (2017: HK54.20 cents).

* *For identification purpose only*

DIVIDENDS

During the year, the Company has declared and paid an interim dividend in cash of HK4.00 cents per ordinary share. According to the policy for continuous increase of the investment return of shareholders, the Board has resolved to declare a final dividend in cash of HK11.50 cents per ordinary share for the financial year ended 31 December 2018 (2017: HK10.50 cents per ordinary share).

The final dividend is conditional upon the passing of the relevant resolution at the forthcoming annual general meeting (the "Annual General Meeting") which will be held on Thursday, 23 May 2019. The final dividend will be paid on or about Friday, 21 June 2019 to shareholders whose names appear on the register of members at the close of business on Thursday, 6 June 2019.

BUSINESS REVIEW

In-Orbit Satellites

During the year, except for APSTAR-6, the Group's in-orbit satellites and their corresponding ground TT&C (telemetry, tracking and command) systems and earth station have been operating under normal condition and continue to provide reliable and high quality services to the Group's customers.

The Group's in-orbit satellites, namely, APSTAR-5C, APSTAR-6C, APSTAR-7 and APSTAR-9, have integrated to form the super wide and strong satellite service capability provided to Asia, Australia, Middle East, Africa, Europe, and the Pacific region, covering more than 75% of the world's population.

APSTAR-5C Satellite

APSTAR-5C was successfully launched on 10 September 2018 on board of Space X Falcon 9 launch vehicle. APSTAR-5C is based on the Space System Loral FS-1300 platform, it is equipped with 28 C-band, 35 Ku-band/Ka-band transponders (including conventional and high-throughput ("HTS") payload), providing high power transponder services to customers across the Asia-Pacific region for video broadcasting and distribution, Direct-To-Home ("DTH") service, VSAT, maritime and broadband telecommunication services. APSTAR-5C carries seven wideband beams and one regional HTS beam. Not only can the Group taken up its existing services for APSTAR-5, it can expand to broader service areas with more powerful performance, especially its new HTS capacity for Southeast Asia, and will satisfy the growing market demand in higher quality telecommunication services.

APSTAR-5C has replaced APSTAR-5 and commenced commercial operation on 1 December, 2018. APSTAR-5 is currently operating in an inclined orbit.

APSTAR-5C is a satellite jointly built by the Group and a subsidiary of Telesat Canada, and it is also known as Telstar-18V. The Group holds approximately 57% interest in the satellite.

APSTAR-6C Satellite

APSTAR-6C was successfully launched on 4 May 2018 on board of Long March 3B/E launch vehicle. APSTAR-6C is a high-power geostationary communication satellite based on the China Academy of Space Technology DFH-4 series platform carrying 26 C-band transponders, 19 Ku-band/Ka-band transponders, which provide high power transponder services to customers across the Asia-Pacific region, for video broadcasting and distribution, VSAT, DTH, cellular backhaul, and in-flight and mobility broadband applications. APSTAR-6C has replaced APSTAR-6 and commenced commercial operation on 1 July 2018.

APSTAR-6 suffered partial power loss due to anomaly of south solar array on 27 May 2018. Since the services were taken up by APSTAR-6C satellite in a timely manner, the partial failure of APSTAR-6 did not impose real impact on the operation of the Group. For the loss caused by this failure, the Group has notified the insurer and the claim procedures are nearly completed. At present, APSTAR-6 operates in an inclined orbit.

APSTAR-7 Satellite

APSTAR-7, positioned at 76.5 degree East geostationary orbital slot, is equipped with 28 C-band transponders and 28 Ku-band transponders with footprints covering the regions in Asia Pacific region, Middle East, Africa and Europe.

APSTAR-9 Satellite

APSTAR-9 positioned at 142 degree East geostationary orbital slot, is equipped with 32 C-band transponders and 14 Ku-band transponders with footprints covering the regions in Asia, Australia, New Zealand, Pacific Islands and Hawaii.

Future Satellites

APSTAR-6D Satellite

APT Mobile SatCom Limited ("APT Mobile"), an associate which was initiated and formed by the Group in Mainland China, has been developing APSTAR-6D, a HTS satellite which is aimed to provide services for the rapid-growing satellite broadband mobility services across Asia Pacific region and the Mainland China. APSTAR-6D is scheduled to be delivered on ground at the end of 2019.

TRANSPONDER LEASE SERVICES

In 2018, the transponder market conditions in the global and Asia Pacific region was continuously downturn. The business growth for satellite broadcasting and satellite telecommunication had been weak and the market environment on oversupply of satellite transponder and the decline in the transponder lease price remained unchanged. To cope with the severe fierce market competition, the Group has actively explored new markets and new businesses and continued to enrich the service contents and varieties while providing high quality services to the customers. The Group has attained excellent performance on the increases in both revenue and profit after taxation and the utilisation rate has continued to be at relatively high level.

SATELLITE TV BROADCASTING AND UPLINK SERVICES, SATELLITE-BASED TELECOMMUNICATION SERVICES AND DATA CENTRE SERVICES

With the Non-domestic Television Programme Service Licence, the Unified Carrier Licence and the satellite earth station facilities and data centre facilities, the Group will continue to expand the scope of services and provide customers with satellite TV broadcasting and uplink services, satellite telecommunication services and data centre services.

SATELLITE PROJECT CONSULTING SERVICES

The Group has rich experiences in satellite procurement and project management, which enable the Group to provide the satellite technical and project management consulting services to other satellite operators. Apart from the satellite project management service provided to APT Mobile, the Group has entered into a satellite project management and consultancy service agreement with a satellite operator in Asia Pacific Region during the year. In pursuance with the agreement, the Group will provide to the customer professional consultancy services in respect of the satellite construction, launching, and in-orbit test.

BUSINESS PROSPECTS

Looking into 2019, the global and Asia Pacific Region satellite transponder market is continuing under the condition of oversupply and fierce competition. The Group's satellites, APSTAR-5C, APSTAR-6C, APSTAR-7 and APSTAR-9, as the premium satellite resources, will continue to face the fierce competition pressure in the transponder leasing business. Therefore, the Group will try its best effort to maintain the stable growth of the current business and further strengthen the marketing effort for exploring new businesses and new markets, so as to support the sustainable and stable development of the Group.

FINANCIAL REVIEW

As at 31 December 2018, the Group's financial position remains very strong. The table below sets out the financial performance for the years ended 31 December 2018 and 31 December 2017:

Financial Highlights

	2018	2017	
	HK$'000	*HK$'000*	Changes
Revenue	**1,237,712**	1,207,440	+2.5%
Gross profit	**736,102**	740,361	-0.6%
Profit before taxation	**619,628**	621,792	-0.3%
Profit attributable to equity shareholders	**507,007**	504,557	+0.5%
Basic earnings per share *(HK cents)*	**54.47**	54.20	+0.5%
EBITDA *(note 1)*	**1,032,428**	1,018,976	+1.3%
EBITDA Margin *(%)*	**83.4%**	84.4%	-1.0 percentage points

	At 31 December		
	2018	2017	
	HK$'000	*HK$'000*	Changes
Total cash and bank balance	**686,848**	967,117	-29.0%
Total assets	**7,154,466**	7,325,765	-2.3%
Total liabilities	**1,506,979**	2,025,085	-25.6%
Net assets per share *(HK$)*	**6.07**	5.69	+6.7%
Gearing ratio *(%)*	**21.1%**	27.6%	-6.5 percentage points
Liquidity ratio	**2.26 times**	3.55 times	-1.29 times

Note 1: EBITDA is defined as profit from operations before other net income, valuation (loss)/ gain on investment properties, impairment loss in respect of property, plant and equipment, loss on disposal of property, plant and equipment, depreciation and amortisation.

Revenue

	2018	2017	
	HK$'000	*HK$'000*	Changes
Income from provision of satellite transponder capacity	**1,196,170**	1,172,439	+2.0%
Income from provision of satellite-based broadcasting and telecommunications services	**15,399**	25,711	-40.1%
Other satellite-related service income	**26,143**	9,290	+181.4%
Total	**1,237,712**	1,207,440	+2.5%

For the year ended 31 December 2018, the Group's revenue amounted to HK$1,237,712,000 (2017: HK$1,207,440,000), representing 2.5% increase as compared with 2017. The growth in revenue was mainly due to the service income from provision of technical support and project management services to an associate. The profit attributable to shareholders increased by 0.5% to HK$507,007,000.

Other net income

	2018	2017	
	HK$'000	*HK$'000*	Changes
Interest income on bank deposits and other interest income	**26,410**	12,143	+117.5%
Foreign currencies exchange (loss)/gain	**(9,361)**	3,427	-373.2%
Rental income in respect of properties less direct outgoing expenses	**1,457**	1,325	+10.0%
Insurance compensation	**128,700**	–	N/A
Income incidental to construction of a communication satellite	**15,555**	–	N/A
Other service income	**2,505**	1,189	+110.7%
Other income	**495**	596	-16.9%
Total	**165,761**	18,680	+787.4%

Total other net income for the year ended 31 December 2018 increased to HK$165,761,000. The increase was mainly because during the year the Group has recognised an insurance compensation of US$16,500,000 (equivalent to HK$128,700,000) for an impaired satellite under its insurance policy, actual amount of compensation subject to confirmation with insurers. The estimated insurance compensation was recognised in other receivables.

Finance costs

Finance costs HK$10,562,000 was recognised for the year ended 31 December 2018 (2017: Nil). The increase was primarily due to the finance costs for payments in respect of APSTAR-5C and APSTAR-6C after commercial operation were no longer capitalised.

Fair value changes on financial instrument measured at fair value through profit or loss

Based on the market price as at 31 December 2018, the balance of 141,651,429 ordinary shares of CNC Holdings Limited was remeasured at a fair value of HK$9,207,000, with fair value gain of HK$1,841,000 recognised in profit or loss. The details of financial assets measured at fair value through profit or loss of the Group are set out in note 15 of this announcement.

Income tax

Income tax expenses for the year ended 31 December 2018 decreased to HK$112,621,000, as compared to HK$117,235,000 in 2017. The decrease was mainly due to the decrease in provision for deferred taxation for the current year. The details of income tax of the Group are set out in note 8 of this announcement.

EBITDA

As a result of the increase in revenue, EBITDA for the year ended 31 December 2018 increased to HK$1,032,428,000, with the margin decreased from 84.4% to 83.4%.

CAPITAL EXPENDITURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

For the year ended 31 December 2018, the Group's capital expenditure incurred for property, plant and equipment was HK$1,502,456,000 (2017: HK$466,278,000). The capital expenditure was mainly for the payment for the construction of the APSTAR-6C, the payment of leasehold improvements and addition of equipments. The above capital expenditures were financed by internally-generated funds, cash flows from operating activities and borrowings from banks.

On 14 June 2016, APT Satellite Company Limited ("APT HK"), as borrower, and the Company, as guarantor, entered into a facility agreement with Bank of China (Hong Kong) Limited in respect of facilities not exceeding an aggregate loan amount of US$215,600,000 (equivalent to HK$1,681,680,000) (the "2016 Facility"). The 2016 Facility comprises three components, including term loan facilities of up to US$130,000,000 (equivalent to HK$1,014,000,000) (the "Term Loan Facility"), revolving loan facility of up to US$70,000,000 (equivalent to HK$546,000,000) and a facility of up to US$15,600,000 (equivalent to HK$121,680,000) on certain commercial arrangements. The 2016 Facility is to be applied to finance the operation of APT HK including but not limited to the repayment of its existing bank borrowings, the procurement of satellites, the launch services of the satellites and the working capital in relation to such projects. The 2016 Facility is secured by insurance claim proceeds relating to APSTAR-6C. During the year, the Group has drawn down US$92,398,000 (equivalent to HK$720,704,000) and repaid US$145,218,000 (equivalent to HK$1,132,700,000) against the 2016 Facility. The outstanding principal balances of the Term Loan Facility and the revolving loan facility were US$24,782,000 (equivalent to HK$193,300,000) (2017: US$107,602,000 (equivalent to HK$839,296,000)) and US$30,000,000 (equivalent to HK$234,000,000) (2017: Nil) respectively at 31 December 2018. The Term Loan Facility is repayable by way of seven semi-annual instalments commencing from the 24th month after the Term Loan Facility was first drawdown and the revolving loan facility is repayable within one year from the date of drawdown of the facility.

In addition, on 14 June 2016, APT HK, as borrower, and the Company, as guarantor, entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited in respect of a revolving loan facility up to US$10,000,000 (equivalent to HK$78,000,000). On 29 August 2017, the revolving loan facility has been increased to US$25,000,000 (equivalent to HK$195,000,000). During the year, the Group has drawn down US$15,000,000 (equivalent to HK$117,000,000) and repaid US$25,000,000 (equivalent to HK$195,000,000) against the facility. There was no outstanding balance of the revolving loan at 31 December 2018 (2017: US$10,000,000 (equivalent to HK$78,000,000)). The facility is repayable within one year from the date of drawdown of the facility. On 7 January 2019, the revolving loan facility has been decreased to US$12,000,000 (equivalent to HK$93,600,000).

As at 31 December 2018, the total borrowings (net of unamortised finance cost) amounted to approximately HK$425,438,000 (2017: approximately HK$913,463,000). The Group recorded a decrease of approximately HK$488,025,000 in the total borrowings during the year ended 31 December 2018, which were due to the decrease of borrowing amount after the repayment of part of the 2016 Facility.

The debt maturity profile (net of unamortised finance cost) of the Group was as follows:

Term of repayment

	HK$
Repayable within one year or on demand	261,330,000
Repayable after one year but within five years	164,108,000
	425,438,000

As at 31 December 2018, the Group's total liabilities were HK$1,506,979,000, a decrease of HK$518,106,000 as compared to 31 December 2017, mainly due to the increase of repayment of bank loan with regards to the Term Loan Facility. The gearing ratio (total liabilities/total assets) has decreased to 21.1%, representing a 6.5 percentage points decrease as compared to 31 December 2017.

For the year ended 31 December 2018, the Group recorded a net cash inflow of HK$137,575,000 (2017: HK$277,700,000) which included net cash inflow of HK$872,632,000 generated from operating activities. This was offset by net cash outflow of HK$70,095,000 used in investing activities and HK$662,894,000 used in financing activities.

As at 31 December 2018, the Group has approximately HK$686,848,000 of cash and bank balances, 43.7% of which were denominated in United States Dollar, 50.3% in Renminbi and 6.0% in Hong Kong Dollar and other currencies which comprising HK$668,828,000 cash and cash equivalents, HK$5,758,000 bank deposits with original maturity beyond 3 months and HK$12,262,000 pledged bank deposits. Together with cash inflow to be generated from operations, the Group could meet with ease all the debt repayments scheduled in the future years.

Capital structure

The Group consistently adheres to conservative fund management. The solid capital structure and financial strength continue to provide a solid foundation for the Group's future development.

Foreign exchange exposure

The Group's revenue and operating expenses are mainly denominated in United States Dollar and Renminbi. Capital expenditures are denominated in United States Dollar. The effect of exchange rate fluctuation in the United States Dollar is insignificant as the Hong Kong Dollar is pegged to the United States Dollar. The foreign exchange rate of the Renminbi has depreciated against the Hong Kong Dollar during the year ended 31 December 2018.

Interest rate exposure

In respect of the Group's cash flow exposure to interest rate risk arising primarily from long-term borrowings at floating London Inter-Bank Offered Rate ("LIBOR rate"), the Group has not entered into any interest rate risk hedge to mitigate exposure to interest rate risks during the year.

Charges on group assets

At 31 December 2018, pledged bank deposits of HK$12,262,000 (2017: Nil) are related to certain commercial arrangements made during the year.

At 31 December 2018, a letter of guarantee issued by a bank to a subsidiary of the Company is secured by the Group's land and buildings with a net book value of approximately HK$3,258,000 (2017: HK$3,375,000).

Capital commitments

As at 31 December 2018, the Group has outstanding capital commitments mainly related to investment in an associate which is not provided for in the Group's financial statements. Among which HK$194,667,000 (2017: HK$194,667,000) commitments were authorised but not contracted for and HK$269,064,000 (2017: HK$912,969,000) was contracted for.

Contingent liabilities

The details of contingent liabilities of the Group are set out in note 19 of this announcement.

Non-adjusting event after the reporting period

After the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 9 of this announcement.

FINANCIAL HIGHLIGHTS

Consolidated statement of profit or loss

for the year ended 31 December 2018

(Expressed in Hong Kong dollars)

	Note	2018 $'000	2017 (Note) $'000
Revenue	4	**1,237,712**	1,207,440
Cost of services		**(501,610)**	(467,079)
Gross profit		**736,102**	740,361
Other net income	6	**165,761**	18,680
Valuation (loss)/gain on investment properties		**(527)**	1,214
Impairment loss in respect of property, plant and equipment		**(150,000)**	–
Administrative expenses		**(123,078)**	(121,985)
Profit from operations		**628,258**	638,270
Fair value changes on financial instrument measured at fair value through profit or loss	15	**1,841**	(16,573)
Finance costs	7(a)	**(10,562)**	–
Loss on disposal of a joint venture		**(78)**	–
Share of profit of an associate		**169**	95
Profit before taxation	7	**619,628**	621,792
Income tax	8	**(112,621)**	(117,235)
Profit for the year and attributable to equity shareholders of the Company		**507,007**	504,557
Earnings per share			
Basic and diluted	10	**54.47 cents**	54.20 cents

Note: The Group has initially applied IFRS/HKFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 3.

Consolidated statement of comprehensive income

for the year ended 31 December 2018

(Expressed in Hong Kong dollars)

	2018	2017
		(Note)
	$'000	*$'000*
Profit for the year	**507,007**	504,557
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that is or may be reclassified subsequently to profit or loss		
Exchange differences on translation of:		
– financial statements of foreign operations	**(24,382)**	26,786
Other comprehensive income for the year	**(24,382)**	26,786
Total comprehensive income for the year	**482,625**	531,343

Note: The Group has initially applied IFRS/HKFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 3.

Consolidated statement of financial position

at 31 December 2018

(Expressed in Hong Kong dollars)

	Note	**2018** **$'000**	2017 *(Note)* *$'000*
Non-current assets			
Property, plant and equipment	11	**5,393,820**	4,460,788
Investment properties		**11,373**	11,900
Intangible asset	12	**133,585**	133,585
Interests in a joint venture		**–**	490
Interest in an associate		**437,028**	360,351
Club membership		**380**	380
Prepaid expenses	13	**170,527**	1,030,819
Deferred tax assets		**877**	259
		6,147,590	5,998,572
Current assets			
Financial assets measured at fair value through profit or loss	15	**9,207**	7,366
Loan receivables	14	**–**	120,000
Trade receivables, net	16	**159,758**	203,832
Deposits, prepayments and other receivables		**151,063**	28,878
Pledged bank deposits		**12,262**	–
Bank deposits with original maturity beyond 3 months		**5,758**	435,864
Cash and cash equivalents		**668,828**	531,253
		1,006,876	1,327,193
Current liabilities			
Payables and accrued charges	17	**96,547**	83,342
Rentals received in advance		**57,034**	103,274
Dividend payable		**540**	–
Secured bank borrowings due within one year		**261,330**	111,572
Current taxation		**29,604**	75,904
		445,055	374,092
Net current assets		**561,821**	953,101
Total assets less current liabilities carried forward		**6,709,411**	6,951,673

Note: The Group has initially applied IFRS/HKFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 3.

Consolidated statement of financial position

at 31 December 2018

(Expressed in Hong Kong dollars)

	Note	**2018**	2017
			(Note)
	Note	***$'000***	*$'000*
Total assets less current liabilities brought forward		**6,709,411**	6,951,673
Non-current liabilities			
Secured bank borrowings due after one year		**164,108**	801,891
Deposits received		**73,606**	75,203
Deferred income		**84,441**	87,603
Deferred tax liabilities		**739,769**	686,296
		1,061,924	1,650,993
Net assets		**5,647,487**	5,300,680
Capital and reserves			
Share capital	18	**93,081**	93,081
Share premium		**1,235,362**	1,235,362
Contributed surplus		**511,000**	511,000
Revaluation reserve		**4,017**	4,017
Exchange reserve		**(4,560)**	19,822
Other reserves		**442**	442
Accumulated profits		**3,808,145**	3,436,956
Total equity		**5,647,487**	5,300,680

Note: The Group has initially applied IFRS/HKFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 3.

Consolidated statement of changes in equity

for the year ended 31 December 2018

(Expressed in Hong Kong dollars)

	Share capital *$'000*	Share premium *$'000*	Contributed surplus *$'000*	Revaluation reserve *$'000*	Exchange reserve *$'000*	Other reserves *$'000*	Accumulated profits *$'000*	Total equity *$'000*
Balance at 1 January 2017	93,101	1,236,081	511,000	4,017	(6,964)	442	3,011,517	4,849,194
Changes in equity for 2017:								
Profit for the year	–	–	–	–	–	–	504,557	504,557
Other comprehensive income	–	–	–	–	26,786	–	–	26,786
Total comprehensive income	–	–	–	–	26,786	–	504,557	531,343
Dividend approved in respect of the previous year *(note 9(ii))*	–	–	–	–	–	–	(46,540)	(46,540)
Dividend declared in respect of the current year *(note 9(i))*	–	–	–	–	–	–	(32,578)	(32,578)
Purchase of own shares *(note 18(b))*	(20)	(719)	–	–	–	–	–	(739)
Balance at 31 December 2017 *(Note)*	93,081	1,235,362	511,000	4,017	19,822	442	3,436,956	5,300,680
Balance at 31 December 2017 (Note)	**93,081**	**1,235,362**	**511,000**	**4,017**	**19,822**	**442**	**3,436,956**	**5,300,680**
Impact on initial application of IFRS/HKFRS9	**–**	**–**	**–**	**–**	**–**	**–**	**(851)**	**(851)**
Balance at 1 January 2018	**93,081**	**1,235,362**	**511,000**	**4,017**	**19,822**	**442**	**3,436,105**	**5,299,829**
Changes in equity for 2018:								
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**507,007**	**507,007**
Other comprehensive income	**–**	**–**	**–**	**–**	**(24,382)**	**–**	**–**	**(24,382)**
Total comprehensive income	**–**	**–**	**–**	**–**	**(24,382)**	**–**	**507,007**	**482,625**
Dividend approved in respect of the previous year (note 9(ii))	**–**	**–**	**–**	**–**	**–**	**–**	**(97,735)**	**(97,735)**
Dividend declared in respect of the current year (note 9(i))	**–**	**–**	**–**	**–**	**–**	**–**	**(37,232)**	**(37,232)**
Balance at 31 December 2018	**93,081**	**1,235,362**	**511,000**	**4,017**	**(4,560)**	**442**	**3,808,145**	**5,647,487**

Note: The Group has initially applied IFRS/HKFRS 9 at 1 January 2018. Under the transition method chosen, comparative information is not restated. See note 3.

(Expressed in Hong Kong dollars)

Notes:

1 GENERAL INFORMATION

APT Satellite Holdings Limited (the "Company") was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The address of its principal place of business is 22 Dai Kwai Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are maintenance, operation and provision of satellite transponder and related services and satellite-based broadcasting and telecommunications services and other services.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2018, but are extracted from those consolidated financial statements.

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"). As Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong, are derived from and consistent with IFRSs, the consolidated financial statements also comply with HKFRSs. The consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group. The equivalent new HKFRSs and amendments to HKFRSs, consequently issued by the HKICPA, have the same effective date as those issued by the IASB and are in all material respects identical to the pronouncements issued by the IASB.

Of these, the following developments are relevant to the Group's financial statements:

- IFRS/HKFRS 9, *Financial instruments*
- IFRS/HKFRS 15, *Revenue from contracts with customers*
- IFRIC/HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, except for the amendments to IFRS/HKFRS 9, *Prepayment features with negative compensation* which have been adopted at the same time as IFRS/HKFRS 9.

(a) IFRS/HKFRS 9, *Financial instruments*

IFRS/HKFRS 9 replaces IAS/HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied IFRS/HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under IAS/HKAS 39.

The following table summarises the impact of transition to IFRS/HKFRS 9 on accumulated profits and reserves at 1 January 2018.

	$'000
Accumulated profits	
Recognition of additional expected credit losses on:	
– trade receivables, net of tax	(851)
Net decrease in accumulated profits at 1 January 2018	(851)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

IFRS/HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede IAS/HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS/HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

The Group has not elected the designation option to irrevocably designate the equity investment designated as financial asset at FVPL under IAS/HKAS 39 as financial asset at FVOCI (non-recycling) on transition to IFRS/HKFRS 9. The measurement categories for the Group's financial assets remain the same. The classification for all financial assets as at 1 January 2018 have not been impacted by the initial application of IFRS/HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities as at 1 January 2018 have not been impacted by the initial application of IFRS/HKFRS 9.

(ii) *Credit losses*

IFRS/HKFRS 9 replaces the "incurred loss" model in IAS/HKAS 39 with the expected credit loss ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in IAS/HKAS 39.

The Group applies the new ECL model to the financial assets measured at amortised cost (including cash and cash equivalents, bank deposits with maturity beyond 3 months, trade receivables, other receivables and loan receivables).

The following table reconciles the closing loss allowance determined in accordance with IAS/HKAS 39 as at 31 December 2017 with the opening loss allowance determined in accordance with IFRS/HKFRS 9 as at 1 January 2018.

	$'000
Loss allowance as at 31 December 2017 under IAS/HKAS 39	31,479
Additional credit loss recognised at 1 January 2018 on:	
– trade receivables	851
Loss allowance at 1 January 2018 under IFRS/HKFRS 9	32,330

(iii) *Transition*

Changes in accounting policies resulting from the adoption of IFRS/HKFRS 9 have been applied retrospectively, except as described below:

– Information relating to the comparative period has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS/HKFRS 9 are recognised in accumulated profits and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under IAS/HKAS 39 and thus may not be comparable with the current period.

– Assessments on determination of the business model within which a financial asset is held have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of IFRS/HKFRS 9 by the Group).

– If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

(b) IFRS/HKFRS 15, *Revenue from contracts with customers*

IFRS/HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. IFRS/HKFRS 15 replaces IAS/HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and IAS/HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

The adoption of IFRS/HKFRS 15 does not have any material impact on the financial position and the financial result of the Group.

(c) IFRIC/HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of IFRIC/HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

4 REVENUE

Disaggregation of revenue from contracts with customers by service line is as follows:

	2018	2017
	$'000	*$'000*
Revenue from sources other than contracts with customers within the scope of IFRS/HKFRS 15		
Income from provision of satellite transponder capacity	**1,196,170**	1,172,439
Income from provision of satellite-based broadcasting and telecommunications services	**15,399**	25,711
Other satellite-related service income	**26,143**	9,290
	1,237,712	1,207,440

5 SEGMENTAL REPORTING

Operating segments

The Group identifies operating segments and prepares segment information based on regular internal financial information reported to the executive directors for their decisions about resources allocation with respect to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major operations. Since over 90% of the Group's revenue, operating results and assets during the years ended 31 December 2018 and 2017 were derived from the provision of satellite transponder capacity and related services, no operating segment analysis is presented.

Whilst the Group's customer base is diversified, it includes two customers with whom transactions have each exceeded 10% of the Group's revenue (2017: two customers). For the year ended 31 December 2018, revenue of approximately $278,937,000 (2017: $266,728,000) were derived from these customers and attributable to the provision of satellite transponder capacity and related services.

Geographical segments

The Group's operating assets consist primarily of its satellites which are put into services for transmission to multiple locations, and are not based within a specific geographical location. Accordingly, no segment analysis of the carrying amount of segment assets by location of assets is presented.

The Group is domiciled in Hong Kong. Given the wide-area broadcasting nature of the Group's satellite operation, the satellite coverage information at individual country level may not always be readily available and the cost of obtaining such information could be excessive. Accordingly, the geographical revenue information is presented at regional level. The revenue derived from customers in (a) Hong Kong, (b) Greater China (which includes Mainland China, Taiwan and Macau but excludes Hong Kong), (c) Southeast Asia and (d) other regions for the year ended 31 December 2018 were $116,637,000, $353,040,000, $583,175,000 and $184,860,000 respectively (2017: $121,873,000, $312,253,000, $578,286,000 and $195,028,000 respectively).

6 OTHER NET INCOME

Other net income primarily includes the following:

	2018	2017
	$'000	*$'000*
Interest income on bank deposits	**21,658**	11,651
Other interest income	**4,752**	492
Foreign currencies exchange (loss)/gain	**(9,361)**	3,427
Rental income in respect of properties less direct outgoing expenses of $95,000 (2017: $56,000)	**1,457**	1,325
Insurance compensation	**128,700**	–
Income incidental to construction of a communication satellite	**15,555**	–
Other service income	**2,505**	1,189
Other income	**495**	596
	165,761	18,680

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2018	2017
	$'000	*$'000*
(a) Finance costs		
Interest on bank borrowings	**38,785**	15,284
Other borrowing costs	**1,993**	930
	40,778	16,214
Less: borrowing costs capitalised into prepaid expenses and construction in progress*	**(30,216)**	(16,214)
	10,562	–

* The borrowing costs have been capitalised at a rate of 2.49% – 3.77% per annum (2017: 1.75% – 2.88% per annum).

	2018	2017
	$'000	*$'000*
(b) Other items		
Auditors' remuneration		
– audit and related services	**1,182**	1,134
– tax services	**158**	134
– other services	**14**	14
Depreciation	**419,297**	399,783
Loss on disposal of property, plant and equipment	**107**	817
Operating lease charges: minimum lease payments		
– land and buildings and equipment	**608**	591
– satellite transponder capacity	**47,490**	28,548
Impairment loss on trade and other receivables (reversed)/recognised	**(1,726)**	6,416

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2018	2017
	$'000	*$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**36,699**	26,834
Over-provision in respect of prior years	**–**	(17,826)
	36,699	9,008
Current tax – Outside Hong Kong		
Provision for the year	**23,182**	19,083
Over-provision in respect of prior years	**(115)**	(272)
	23,067	18,811
Deferred taxation - Hong Kong	**52,855**	89,416
Actual tax expense	**112,621**	117,235

Taxation is charged at the applicable current rates of taxation ruling in the relevant jurisdictions.

The provision for Hong Kong Profits Tax for 2018 is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year.

Taxation outside Hong Kong includes profits tax and withholding tax paid or payable in respect of the Group's income from the provision of satellite transponder capacity to customers who are located outside Hong Kong.

Over-provision in respect of prior years represents reversal of provision for withholding taxes. Management considers the likelihood of the Group being required to pay such withholding taxes has become remote and therefore made the reversal during the year.

Deferred taxation in respect of Hong Kong Profits Tax was calculated at 16.5% (2017: 16.5%) of the estimated temporary differences for the year.

9 DIVIDENDS

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2018	2017
	$'000	*$'000*
Interim dividend declared and paid of 4.00 cents (2017: 3.50 cents) per ordinary share	**37,232**	32,578
Final dividend proposed after the end of the reporting period of 11.50 cents (2017: 10.50 cents) per ordinary share	**107,043**	97,735
	144,275	130,313

As the final dividend is proposed after the end of the reporting period, such dividend has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2018	2017
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of 10.50 cents (2017: 5.00 cents) per ordinary share	**97,735**	46,540

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $507,007,000 (2017: $504,557,000) and the weighted average of 930,831,000 ordinary shares (2017: 930,831,000 ordinary shares) in issue during the year, calculated as follows:

(i) Weighted average number of ordinary shares

	2018	2017
	'000	*'000*
Issued ordinary shares at 1 January	**930,831**	931,009
Effect of shares repurchased *(note 18(b))*	**–**	(178)
Weighted average number of ordinary shares at 31 December	**930,831**	930,831

(b) Diluted earnings per share

Diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the years ended 31 December 2018 and 2017.

11 PROPERTY, PLANT AND EQUIPMENT

(a) Additions and transfer of construction in progress

Additions of construction in progress for the year ended 31 December 2018 primarily related to the progress payments in respect of communication satellite, APSTAR-6C, of $498,172,000 (2017: $437,620,000). As announced by the Company on 18 October 2015, APT HK, a wholly-owned subsidiary of the Company, entered into a satellite procurement contract on 17 October 2015 with a fellow subsidiary of the Company for manufacturing of APSTAR-6C. APSTAR-6C was successfully launched to the designated orbit on 4 May 2018 on board of Long March 3B/E launch vehicle of China Great Wall Industry Corporation, a fellow subsidiary of the Company. The cost of APSTAR-6C amounting to $1,444,442,000 was transferred to communication satellites accordingly.

(b) Additions of communication satellites for the year

Additions of communication satellites for the year ended 31 December 2018 primarily related to the lifetime lease of communication satellite, APSTAR-5C, of $980,449,000 (2017: Nil). As announced by the Company on 24 December 2015, APT HK, a wholly-owned subsidiary of the Company, entered into a satellite transponder agreement on 23 December 2015 with a third party for the lifetime leasing of 36.204 transponders on APSTAR-5C. APSTAR-5C is the replacement satellite for APSTAR-5. The in-orbit tests of APSTAR-5C was completed during the year and APT HK commenced to lease the satellite transponders during the year. The prepaid expenses for APSTAR-5C amounting to $980,449,000 were capitalised as communication satellites accordingly. (Note 13)

(c) Impairment loss

During the year ended 31 December 2018, a communication satellite of the Group suffered 50% power loss due to anomaly of south solar array. The Group conducted an impairment assessment of the communication satellite and determined that the recoverable amount of the communication satellite is estimated to be less than its carrying amount. Based on the results of the impairment assessment, an impairment loss of $150,000,000 in respect of communication satellites, representing 50% of the then net book value, was recognised in "impairment loss recognised in respect of property, plant and equipment". The recoverable amount of the communication satellite is supported by value-in-use calculations based on cash flow projections with reference to budget and business plan approved by management. The discount rate used for cash flow projection is 10.51%. There was no impairment loss recognised in respect of property, plant and equipment in 2017.

12 INTANGIBLE ASSET

The carrying amount of an acquired intangible asset not subject to amortisation is as follows:

	2018	2017
	$'000	*$'000*
Orbital slot	**133,585**	133,585

During 2009, the Group obtained the right to operate a satellite at an orbital slot. Such intangible asset is considered to have an indefinite life.

No impairment of the intangible asset was recorded as at 31 December 2018 and 2017.

The recoverable amount of the intangible asset is estimated based on value-in-use calculation. These calculations use cash flow projections based on budget and business plan approved by management for the year ending 31 December 2019. Cash flows beyond 2018 are derived based on revenue from committed service agreements for the provision of satellite transponder capacity and projected at a growth rate generally expected for the industry and achievable by the Group. The discount rate used for cash flow projection is 10.51% (2017: 10.27%).

13 PREPAID EXPENSES

Prepaid expenses primarily represent the advance payment of transponder lease contract and licence fee for the right to use certain designated transmission frequencies. Part of the prepaid expenses which fall due within one year are included as part of deposits, prepayments and other receivables under current assets.

	2018	2017
	$'000	*$'000*
Non-current prepaid expenses balance at 1 January	**1,030,819**	768,897
Movements during the year:		
– additions	**128,893**	271,585
– reclassified to current portion (included in deposits, prepayments and other receivables under current assets)	**(8,736)**	(9,663)
– capitalised to communication satellites *(Note 11(b))*	**(980,449)**	–
Non-current prepaid expenses at 31 December	**170,527**	1,030,819

Included in the prepaid expenses as at 31 December 2017 are the prepaid lease payment and borrowing costs in respect of the lifetime leasing of 36.204 transponders on APSTAR-5C of US$109,174,000 (equivalent to $851,557,000). Additional prepaid expenses of US$16,525,000 (equivalent to $128,895,000) (2017: US$34,819,000 (equivalent to $271,588,000)) was made in respect of APSTAR-5C. APSTAR-5C was successfully launched to the designated orbit on 10 September 2018. The total cost of APSTAR-5C amounting to $980,449,000 was capitalised as communication satellites accordingly. (Note 11(b))

14 LOAN RECEIVABLES

On 11 September 2017, APT HK entered into a loan agreement in respect of the provision of an unsecured loan in the principal amount up to $345,462,000 to a subsidiary of APT Mobile. The loan is interest-bearing at 4.75% per annum (benchmarked to the interest rate of 1-year to 5-year loan as announced by the People's Bank of China on the loan agreement date). The loan is repayable in cash or by way of set-off against the equivalent amount of the capital contribution payable by the Group to APT Mobile at the Group's discretion.

As at 31 December 2018, all principal of loan receivables has been fully repaid by the subsidiary of APT Mobile in cash (2017: principal amount of $120,000,000 has been drawn by the subsidiary of APT Mobile).

15 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2018, the investment in the listed shares of CNC Holdings Limited was remeasured at a fair value of $9,207,000 (2017: $7,366,000), based on the market price at the end of the reporting period, with fair value gain of $1,841,000 (2017: loss of $16,573,000) recognised in profit or loss.

16 TRADE RECEIVABLES, NET

The Group normally allows a credit period of 30 days from the date of revenue recognition to its trade customers. The following is an ageing analysis of trade receivables (net of loss allowance), based on the date of revenue recognition, at the end of the reporting period:

	2018	2017
	$'000	*$'000*
Within 30 days	**39,276**	57,707
31 – 60 days	**31,954**	31,280
61 – 90 days	**21,440**	23,366
91 – 120 days	**16,413**	30,474
Over 120 days	**50,675**	61,005
	159,758	203,832

The trade receivables are expected to be recovered within one year.

17 PAYABLES AND ACCRUED CHARGES

The ageing analysis of accounts payables and accrued charges as of the end of the reporting period, based on due date, is as follows:

	2018	2017
	$'000	*$'000*
Accounts payables due within 3 months	**18,155**	25,033
Accrued expenses	**78,392**	58,309
	96,547	83,342

18 SHARE CAPITAL

(a) Authorised and issued share capital

	2018		2017	
	No. of shares		No. of shares	
	('000)	***$'000***	*('000)*	*$'000*
Authorised:				
Ordinary shares of $0.10 each	**2,000,000**	**200,000**	2,000,000	200,000
Ordinary shares, issued and fully paid:				
At 1 January	**930,809**	**93,081**	931,009	93,101
Shares repurchased	**–**	**–**	(200)	(20)
At 31 December	**930,809**	**93,081**	930,809	93,081

(b) Purchase of own shares

During the year ended 31 December 2017, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share** *$*	**Lowest price paid per share** *$*	**Aggregate price paid** *$'000*
January 2017	200,000	3.68	3.67	739

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium on repurchase was charged against share premium.

The Company did not repurchase its own ordinary shares on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2018.

19 CONTINGENT LIABILITIES

The Company has given bank guarantee in respect of the banking facilities granted to APT HK. The extent of such banking facilities utilised by APT HK at 31 December 2018 amounted to $427,230,000 (2017: $917,296,000).

20 NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors declared a final dividend of $107,043,000. Further details are disclosed in note 9 of this announcement.

CORPORATE GOVERNANCE

The Group commits to a high standard of corporate governance especially in internal control and compliance; adheres to the business code of ethics, which is applicable to all directors, senior management, and all employees; implements whistleblower protection policy, as well as advocates environmental awareness.

HUMAN RESOURCES

As at 31 December 2018, the Group had 112 employees. The Group continues to provide on job training to employees and periodically review its emolument policy based on the respective responsibilities of employees and current market trends.

AUDIT AND RISK MANAGEMENT COMMITTEE

In the meeting held on Monday, 18 March 2019, the Group's Audit and Risk Management Committee has reviewed the accounting principles and practices adopted by the Group and the Company's audited financial report for the year ended 31 December 2018. The Audit and Risk Management Committee has also reviewed the result and statement of the Board in relation to effectiveness of the internal control system and the independence of the Company's auditors.

The Audit and Risk Management Committee comprises four independent non-executive directors including Dr. Lui King Man (Chairman), Dr. Lam Sek Kong, Mr. Cui Liguo and Dr. Meng Xingguo.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE

Throughout the year of 2018, the Company has met the code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules, save for the following Code Provisions:

A4.1: the non-executive directors of the Company are not appointed for a specific term given they shall retire from office by rotation once every three years except the Chairman of the Board and the President in accordance with the Bye-Laws of the Company;

A4.2: the Chairman of the Board and the President are not subject to retirement by rotation given that would help the Company in maintaining its consistency of making business decisions; and

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year ended 31 December 2018.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 20 May 2019 to Thursday, 23 May 2019 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting of the Company to be held on Thursday, 23 May 2019, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2019.

The register of members of the Company will be closed from Wednesday, 5 June 2019 to Thursday, 6 June 2019 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 4 June 2019.

ANNUAL REPORT PUBLICATION

The Company's 2018 Annual Report for the year ended 31 December 2018 containing information required by Appendix 16 of the Listing Rules will be dispatched to shareholders and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.apstar.com) in due course.

NOTE OF APPRECIATION

In 2018, the Group continued to achieve encouraging and excellent results. I would like to express my sincere gratitude to all the customers of the Group and my grateful gratitude to the directors and all our staff for their valuable contribution to the development of the Group.

By Order of the Board
APT Satellite Holdings Limited
Li Zhongbao
Chairman

Hong Kong, 19 March 2019

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

Executive Directors:
Cheng Guangren *(President)*
Qi Liang *(Vice President)*

Non-Executive Directors:
Li Zhongbao *(Chairman)*
Lim Toon
Yin Yen-liang
Fu Zhiheng
Lim Kian Soon
Ba Risi
Tseng Ta-mon *(alternate director of Yin Yen-liang)*

Independent Non-Executive Directors:
Lui King Man
Lam Sek Kong
Cui Liguo
Meng Xingguo