



APSTAR

by APT Satellite

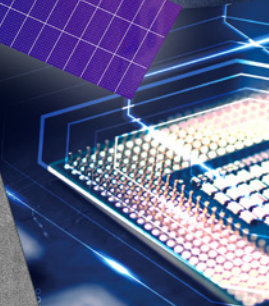
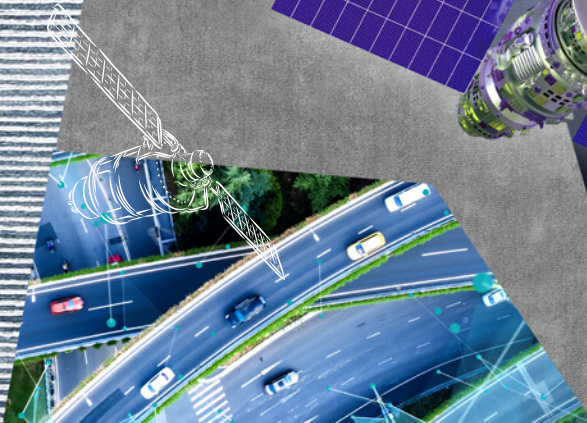
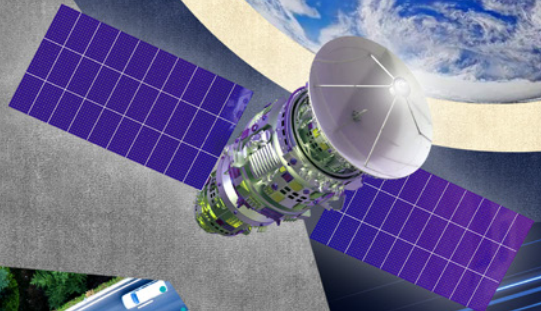
APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1045)



INTERIM REPORT 2024





COMPANY PROFILE

APT Satellite Holdings Limited (the “Company”) (Stock Code 1045) is a listed company on The Stock Exchange of Hong Kong Limited, holding the entire interest of APT Satellite Company Limited (The Company together with all its subsidiaries are collectively referred to as “the APT Group”).

APT Group commenced its operation in 1992. It currently operates satellites, namely, APSTAR-5C, APSTAR-6C, APSTAR-7 and APSTAR-9, and also operates APSTAR-6D through its associated company APT Mobile SatCom Limited. APSTAR Systems covering regions in Asia, Oceania, Middle East, Africa, approximately 75% of the world’s population. APT Group provides excellent quality transponder, satellite telecommunications and satellite TV broadcasting and transmission services to broadcasters and telecommunication customers.

The advanced APSTAR Systems of APT Group, supported with the comprehensive and high quality services, have become one of the leading satellite operators in the Asia Pacific region.

For more information, please contact us:

Head office: 22 Dai Kwai Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong

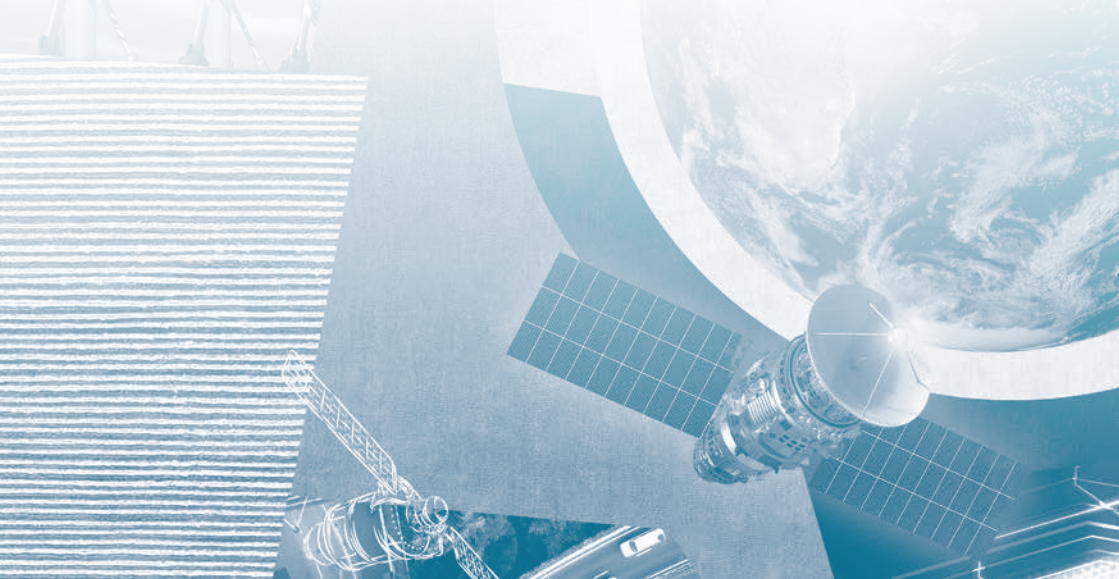
Tel: +852 2600 2100

Fax: +852 2522 0419

Email: aptmk@apstar.com (Marketing & Sales)

ir@apstar.com (Investor Relations)

Web-site: www.apstar.com



CONTENTS

Corporate Information	2
Chairman's Statement	3
Financial Review	7
Interim Financial Report	12
Unaudited Condensed Consolidated Statement of Profit or Loss	12
Unaudited Condensed Consolidated Statement of Comprehensive Income	13
Unaudited Condensed Consolidated Statement of Financial Position	14
Unaudited Condensed Consolidated Statement of Changes in Equity	16
Unaudited Condensed Consolidated Cash Flow Statement	17
Notes to the Unaudited Condensed Consolidated Interim Financial Report	18
Additional Information	34
Report on Review of Interim Condensed Consolidated Financial Statements	37

CORPORATE INFORMATION

DIRECTORS

Executive directors

Wang Hongbin (*President*)

Yan Zhao (*Vice President*)

Non-executive directors

Sun Jing (*Chairman*)

Lim Seng Kong

(resigned on 31 March 2024)

Leong Kah Fai Keith

(appointed on 31 March 2024)

Yin Yen-liang

Fu Zhiheng

Lim Kian Soon

Li Xiaomei

Tsang Ta-mon (*alternate director to Yin Yen-liang*)

Independent non-executive directors

Lam Sek Kong

Cui Ligu

Meng Xingguo

Yim Ka Man

COMPANY SECRETARY

Lau Tsui Ling Shirley

AUTHORISED REPRESENTATIVES

Wang Hongbin

Lau Tsui Ling Shirley

MEMBERS OF AUDIT AND RISK MANAGEMENT COMMITTEE

Yim Ka Man (*Chairman*)

Lam Sek Kong

Cui Ligu

Meng Xingguo

MEMBERS OF NOMINATION COMMITTEE

Lam Sek Kong (*Chairman*)

Yan Zhao

Cui Ligu

Meng Xingguo

Yim Ka Man

MEMBERS OF REMUNERATION COMMITTEE

Cui Ligu (*Chairman*)

Yan Zhao

Lam Sek Kong

Meng Xingguo

Yim Ka Man

AUDITOR

BDO Limited

Certified Public Accountants

Public Interest Entity Auditor registered

in accordance with the Accounting and
Financial Reporting Council Ordinance

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited

Bank of Communications Company Limited

Hong Kong Branch

The Hongkong and Shanghai Banking

Corporation Limited

LEGAL ADVISORS

Sit, Fung, Kwong & Shum, Solicitors

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Management (Bermuda) Limited

Victoria Place 5th Floor

31 Victoria Street

Hamilton, HM 10

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

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

Tel: (852) 2600 2100

Fax: (852) 2522 0419

Web-site: www.apstar.com

E-mail: aptnk@apstar.com (*Marketing & Sales*)

ir@apstar.com (*Investor Relations*)

STOCK CODE

1045

CHAIRMAN'S STATEMENT

The Board of Directors (the "Board") of APT Satellite Holdings Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2024.

This interim result has been reviewed by the Company's Audit and Risk Management Committee (the "Audit and Risk Management Committee") and independent auditors.

INTERIM RESULTS

For the first half year of 2024, the Group's revenue amounted to HK\$391,842,000 (six months ended 30 June 2023: HK\$419,728,000), representing 6.64% decrease as compared with corresponding period in the previous financial year. The decrease in revenue was mainly attributable to the decrease in income from provision of satellite transponder capacity during the period. Profit attributable to equity shareholders amounted to HK\$101,660,000 (six months ended 30 June 2023: HK\$117,829,000), representing 13.72% decrease as compared with corresponding period in the previous financial year. Basic earnings per share and diluted earnings per share were both HK10.95 cents (six months ended 30 June 2023: HK12.69 cents).

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK4.50 cents per ordinary share for the six months ended 30 June 2024 (six months ended 30 June 2023: HK5.00 cents per ordinary share). The details of interim dividend of the Group are set out in note 7 of this report.

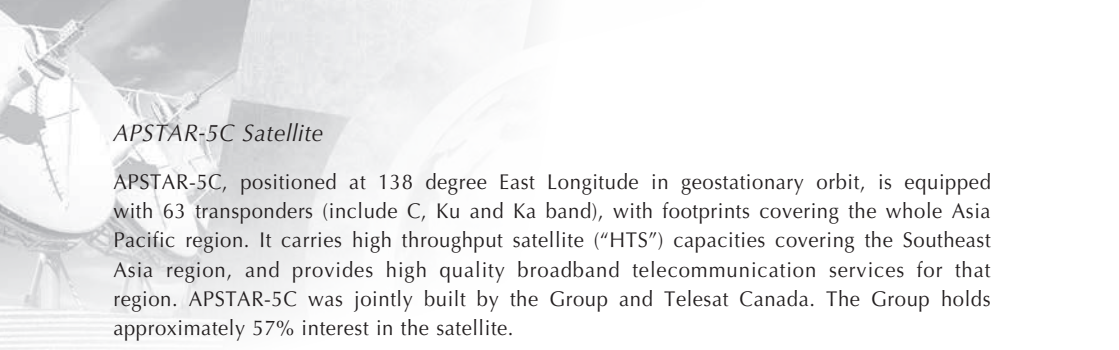
The interim dividend will be paid on or about Monday, 14 October 2024 to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 24 September 2024.

BUSINESS REVIEW

In-Orbit Satellites

For the first half year of 2024, the Group's in-orbit satellites namely, APSTAR-5C, APSTAR-6C, APSTAR-7, APSTAR-9, APSTAR-6D (operated by APT Mobile Satcom Limited ("APT Mobile"), an associate of the Group) and their corresponding ground TT&C (telemetry, tracking and command) systems and earth station have been operating under good condition and continued to provide reliable and high quality services to the Group's customers.

The Group's in-orbit satellites collectively provide the super broad coverage and strong capability to serve more than 75% of the world's population in Asia, Europe, Africa and Oceania.



APSTAR-5C Satellite

APSTAR-5C, positioned at 138 degree East Longitude in geostationary orbit, is equipped with 63 transponders (include C, Ku and Ka band), with footprints covering the whole Asia Pacific region. It carries high throughput satellite (“HTS”) capacities covering the Southeast Asia region, and provides high quality broadband telecommunication services for that region. APSTAR-5C was jointly built by the Group and Telesat Canada. The Group holds approximately 57% interest in the satellite.

APSTAR-6C Satellite

APSTAR-6C, positioned at 134 degree East Longitude in geostationary orbit, is equipped with 45 transponders (include C, Ku and Ka band), with footprints covering the whole Asia Pacific region.

APSTAR-7 Satellite

APSTAR-7, positioned at 76.5 degree East Longitude in geostationary orbit, is equipped with 56 transponders (include C and Ku band), with footprints covering the Asia Pacific region, Middle East, Africa and partial area in Europe.

APSTAR-9 Satellite

APSTAR-9, positioned at 142 degree East Longitude in geostationary orbit, is equipped with 46 transponders (include C and Ku band), with footprints covering the whole Asia Pacific region.

APSTAR-6D Satellite

APSTAR-6D (operated by APT Mobile), positioned at 134 degree East Longitude in geostationary orbit. APSTAR-6D Satellite is the first HTS satellite optimized for satellite broadband mobility services in the region. The satellite is equipped with high throughput multiple spot beams and other unique and advanced features to meet the market demand in China and the whole Asia Pacific region.

APSTAR-6E Satellite

APSTAR-6E (operated by APSTAR Alliance Satcom Limited (“APSTAR Alliance”), an associate of the Group), has been positioned at 134 degree East Longitude in geostationary orbit in July 2024 since its launch in 2023, the in-orbit-test has been successfully completed. APSTAR-6E is a HTS satellite based on full-electric propulsion DFH-3E platform, the satellite will provide high quality broadband services in South East Asia region.



Ground Facilities

In line with its HTS satellite development strategy, the Group completed the construction or acquired full service capacity of multiple gateway stations in Hong Kong, Australia, Indonesia and Malaysia providing gateway services to the customers. As gateway station is a key facility connecting HTS satellites and terrestrial networks, it carries out the transmission, landing and processing of customer traffic in HTS system, supports the in-orbit APSTAR HTS satellites and reserves the ability to expand and support other satellite systems. The gateway station facilities will greatly enhance the Group's service capabilities in both satellite and terrestrial network in the Asia Pacific region and will be conducive to maintaining the Group's competitive advantages in satellite qualities and overall services capabilities.

The Group has started the construction of a satellite earth station at Chung Hom Kok in Hong Kong ("CHK Station"), and the ground facilities in CHK Station will further enhance the Group's ground facility service capabilities. Furthermore, it can also be used as a backup of the Group's TT&C station in Tai Po, to eliminate the risk of 5G signal interference in Tai Po in the future.

Transponder Lease Services

In 2024 satellite transponder market conditions in the global and Asia Pacific region continued to be on the downturn. The demand growth for satellite broadcasting and satellite telecommunication business had been sluggish while the situation of oversupply has not been improved and satellite transponder bandwidth lease price still in a relatively significant decline trend. Changes in the market environment, LEO operator Starlink has launched the services to increase competition which had a greater impact on the transponder leasing business.

To cope with the difficult market conditions, the Group strives to overcome the difficulties brought about by the said issues and has been actively exploring new markets and businesses, and continued to enrich its service contents and varieties and intensified its market development efforts while providing high quality services to the customers. It has made remarkable progress in the Mainland China market and the Southeast Asia market, and fulfilled the positive growth in business volume.

Satellite TV Broadcasting Services, Satellite-Based Telecommunication Services, Data Centre Services and Gateway Stations Services

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

BUSINESS PROSPECTS

Looking forward to the second half year of 2024, the situations of oversupply and keen competition in the global and Asia Pacific region satellite transponder market will not be changed. Lower market price expectations, varying degrees of economic downturn and fiscal budget tightening in various regions, US dollar remains strong, the shortage of foreign exchange in the countries where some of the customers are located and the rising operating costs of customers have led to difficulties in customer payment which will continue to have a great impact on the market. The Group will face greater market expansion pressure for its transponder lease business. While expanding its traditional satellite capacity leasing business on APSTAR-5C, APSTAR-6C, APSTAR-7 and APSTAR-9 with great efforts, the Group will further expand its market and business on a larger scale, including the variety of businesses such as on-stop broadcasting services, satellite project management services, spectrum resources and satellite TT&C services as well as gateway operation services, etc. Meanwhile, the Group will continue to fully leverage its strengths of healthy financial position and sufficient capital and on the basis of completing the APSTAR-6E satellite project and the construction of satellite ground facilities in CHK Station to actively explore and increase investment in new satellite projects and emerging business areas, further enhance its competitiveness and service capabilities, expand its business areas and business scope, so as to maintain its stable and sustainable business development.

FINANCIAL POSITION

As at 30 June 2024, the Group's financial position remains sound. Please refer to the financial review section of this report for more detailed analysis.

CORPORATE GOVERNANCE

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

NOTE OF APPRECIATION

I would like to express my sincere gratitude to all customers of the Group and my grateful gratitude to the directors and all our staff members for their valuable contribution to the continued development of the Group.

Sun Jing
Chairman

Hong Kong, 22 August 2024

FINANCIAL REVIEW

As at 30 June 2024, the Group's financial position remains sound. The table below sets out the financial performance for the six months ended 30 June 2024 and 2023:

Financial Highlights

	Six months ended 30 June		Change
	2024 HK\$'000	2023 HK\$'000	
Revenue	391,842	419,728	-6.64%
Gross profit	146,705	187,812	-21.89%
Profit before taxation	117,582	139,851	-15.92%
Profit attributable to shareholders	101,660	117,829	-13.72%
Basic earnings per share (HK cents)	10.95	12.69	-13.71%
EBITDA (note 1)	303,138	344,769	-12.08%
EBITDA Margin (%)	77.4%	82.1%	-4.7 percentage points
	At	At	
	30 June	31 December	
	2024	2023	
	HK\$'000	HK\$'000	Change
Total cash and bank balance	2,134,303	2,148,555	-0.66%
Total assets	6,997,048	7,085,442	-1.25%
Total liabilities	966,821	1,004,523	-3.75%
Net assets per share (HK\$)	6.49	6.55	-0.92%
Gearing ratio (%) (note 2)	13.8%	14.2%	-0.4 percentage points
Liquidity ratio	10.14 times	9.80 times	+0.34 times

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

Note 2: Gearing ratio is calculated as total liabilities divided by total assets.

Revenue

	Six months ended 30 June		
	2024	2023	
	HK\$'000	HK\$'000	Change
Income from provision of satellite transponder capacity	343,652	376,370	-8.69%
Income from provision of satellite-based broadcasting and telecommunications services	2,096	1,952	+7.38%
Other satellite-related service income	46,094	41,406	+11.32%
Total	391,842	419,728	-6.64%

For the first half year of 2024, the Group's revenue amounted to HK\$391,842,000 (six months ended 30 June 2023: HK\$419,728,000), representing 6.64% decrease as compared with corresponding period in the previous financial year. The decrease was mainly attributable to the decrease in income from provision of satellite transponder capacity during the period. The profit attributable to shareholders decreased by 13.72% to HK\$101,660,000.

Other net gains

	Six months ended 30 June		
	2024	2023	
	HK\$'000	HK\$'000	Change
Interest income on bank deposits and other interest income	56,443	40,515	+39.31%
Foreign currencies exchange loss	(5,740)	(10,232)	-43.90%
Rental income in respect of properties	312	320	-2.50%
Other income	200	1,530	-86.93%
Total	51,215	32,133	+ 59.38%

Total other net gains for the six months ended 30 June 2024 increase to HK\$51,215,000. The increase was mainly because the significant increase in interest income on bank deposits for the current period.

Finance costs

Finance costs of HK\$2,557,000 were recognised for the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$2,887,000). The finance cost comprises the Group's interest on lease liabilities, which were approximately 11.43% lower than that of the corresponding period last year.

Fair value changes on financial assets

At 31 December 2023, trading in listed shares of Tsun Yip Holdings Limited (formerly known as CNC Holdings Limited) (“Tsun Yip”) on the Stock Exchange was suspended since 15 August 2022 (the “Suspended Shares”). Based on the management assessment, the fair value of the Suspended Shares was HK\$Nil as at 31 December 2023.

On 1 March 2024, the listed shares of Tsun Yip was resumed trading. At 30 June 2024, the investment in the listed shares of Tsun Yip was remeasured at a fair value of HK\$1,388,000 (31 December 2023: HK\$Nil) based on the market price at the end of the reporting period, with fair value gain of HK\$1,388,000 (six months ended 30 June 2023: HK\$Nil) 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 13 of this report.

Income tax

Income tax for the six months ended 30 June 2024 decreased to HK\$15,922,000, as compared to HK\$22,022,000 for the same period of last year. The decrease was mainly due to the decrease in provision for Hong Kong profits tax and overseas tax for the current period. The details of income tax of the Group are set out in note 6 of this report.

EBITDA

As a result of the decrease in revenue, EBITDA for the six months ended 30 June 2024 decreased by 12.08% to HK\$303,138,000, while the margin decreased from 82.1% to 77.4%.

CAPITAL EXPENDITURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

During the period, the Group’s capital expenditure incurred for property, plant and equipment was HK\$20,124,000 (six months ended 30 June 2023: HK\$13,552,000). The capital expenditure was mainly for the addition of equipment and construction-in-progress (six months ended 30 June 2023: addition of equipment and construction-in-progress). The above capital expenditures were financed by internally-generated funds and cash flows from operating activities.

Bank of China (Hong Kong) Limited has granted the facilities not exceeding an aggregate loan amount of US\$85,600,000 (equivalent to HK\$667,680,000) (the “Facility”) to APT Satellite Company Limited (“APT HK”), a wholly-owned subsidiary of the Company, as borrower, and the Company, as guarantor. The Facility comprises two components, including 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. There were no outstanding balance of the Facility at 30 June 2024 (31 December 2023: HK\$Nil).

In addition, 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\$12,000,000 (equivalent to HK\$93,600,000). There was no outstanding balance of the revolving loan facility at 30 June 2024 (31 December 2023: HK\$Nil).

APT HK, as borrower, and the Company, as guarantor, entered into a facility agreement with China Construction Bank (Asia) Corporation Limited in respect of a revolving loan facility up to HK\$100,000,000. There was no outstanding balance of the revolving loan facility at 30 June 2024 (31 December 2023: HK\$Nil).

As at 30 June 2024, the Group's total liabilities were HK\$966,821,000, a decrease of HK\$37,702,000 as compared to 31 December 2023, mainly due to the decrease in lease liabilities and deferred tax liabilities. The gearing ratio (total liabilities/total assets) has decreased to 13.8%, representing a 0.4 percentage point decrease as compared to 31 December 2023.

For the six months ended 30 June 2024, the Group recorded a net cash inflow of HK\$92,932,000 (six months ended 30 June 2023: a net cash outflow of HK\$229,278,000) which included net cash inflow of HK\$117,653,000 generated from operating activities and HK\$123,640,000 generated from investing activities. This was offset by net cash outflow of HK\$148,361,000 used in financing activities.

As at 30 June 2024, the Group has HK\$2,134,303,000 of cash and bank balances, 93.72% of which were denominated in United States Dollar, 4.27% in Renminbi, 1.99% in Hong Kong Dollar and 0.02% in other currencies. The balance comprised of HK\$367,000 pledged bank deposits, HK\$273,379,000 cash and cash equivalents and HK\$1,860,557,000 bank deposits with original maturity beyond 3 months. Together with the bank loan facilities available to the Group and cash inflow to be generated from operations, the Group could cope with the needs to invest in future satellites and new projects for further business development.

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 six months ended 30 June 2024.

CHARGES ON GROUP ASSETS

At 30 June 2024, pledged bank deposits of HK\$367,000 (31 December 2023: HK\$Nil) related to certain commercial arrangements made during the year.

At 30 June 2024, a letter of guarantee issued by a bank to a subsidiary of the Company was secured by the Group's land and buildings with a net book value of HK\$2,618,000 (31 December 2023: HK\$2,676,000).

CAPITAL COMMITMENTS

As at 30 June 2024, the Group had outstanding contracted capital commitments of HK\$143,845,000 (31 December 2023: HK\$169,871,000).

FINANCIAL GUARANTEE

On 20 March 2024, a wholly-owned subsidiary of the Company, APT HK, entered into a guarantee agreement in favour of The Export-Import Bank of China to provide guarantee for the buyer credit loan in the principal amount of US\$116,900,000 (or its equivalent in RMB) made available by The Export-Import Bank of China to APSTAR Alliance, an associate of the Group. Under the guarantee agreement, APT HK assumes joint guarantee liability with the principal debtor, APSTAR Alliance. The guarantee covers 20% of the principal amount advanced by The Export-Import Bank of China with accrued interest and any other amounts payable by APSTAR Alliance under the relevant loan agreement. Details of the guarantee agreement and relevant loan agreement are set out in the Company's announcement on 27 March 2024.

The guarantee periods start from the date of grant of the buyer credit loan to expiry of the financial guarantee agreement. At 30 June 2024, APSTAR Alliance had drawn down a principal amount of the buyer credit loan amounting to RMB729,516,000 (equivalent to HK\$783,920,000) with accrued interest of RMB3,202,000 (equivalent to HK\$3,441,000). At 30 June 2024, financial guarantee liability of HK\$583,000 (31 December 2023: HK\$Nil) was recognised in "other payables" in the condensed consolidated statement of financial position. The maximum amount of the financial guarantee liability of the Group as at 30 June 2024 is RMB146,544,000 (equivalent to HK\$152,472,000).

NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors proposed an interim dividend. Further details are disclosed in note 23 of this report.

HUMAN RESOURCES

As at 30 June 2024, the Group had 113 employees (30 June 2023: 107 employees). The Group continues to provide on the job training to employees and periodically review its emolument policy based on the respective responsibilities of employees and current market trends.

INTERIM FINANCIAL REPORT

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2024	2023
Notes		\$'000	\$'000
Revenue	3,4	391,842	419,728
Cost of services		(245,137)	(231,916)
Gross profit		146,705	187,812
Other net gains	5(a)	51,215	32,133
Valuation (loss)/gain on investment properties	10	(309)	464
Administrative expenses		(53,067)	(48,292)
Profit from operations		144,544	172,117
Fair value changes on financial assets	13	1,388	–
Finance costs	5(b)	(2,557)	(2,887)
Share of loss of associates		(25,793)	(29,379)
Profit before taxation	5	117,582	139,851
Income tax	6	(15,922)	(22,022)
Profit for the period and attributable to equity shareholders of the Company		101,660	117,829
Earnings per share	8		
– Basic and diluted		10.95 cents	12.69 cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024 \$'000	2023 \$'000
Profit for the period	101,660	117,829
Other comprehensive income for the period (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 operations outside Hong Kong*	(17,709)	(32,198)
Other comprehensive income for the period	(17,709)	(32,198)
Total comprehensive income for the period	83,951	85,631

* Included exchange loss on translation of financial statements of associates of \$15,658,000 (six months ended 30 June 2023: \$28,726,000).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

(Expressed in Hong Kong dollars)

	Notes	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Non-current assets			
Property, plant and equipment	9	3,711,285	3,897,102
Investment properties	10	8,296	8,827
Intangible assets	11	264,800	269,168
Investments in associates	12	577,354	618,222
Club membership		380	380
Prepayments		2,194	2,574
Deferred tax assets		33	33
		4,564,342	4,796,306
Current assets			
Financial assets measured at fair value through profit or loss	13	1,388	–
Trade receivables, net	14	258,629	125,559
Deposits, prepayments and other receivables	15	38,386	15,022
Pledged bank deposits		367	–
Bank deposits with original maturity beyond 3 months		1,860,557	1,965,282
Cash and cash equivalents	16	273,379	183,273
		2,432,706	2,289,136
Current liabilities			
Payables and accrued charges	17	61,507	75,070
Deferred income		50,678	51,860
Dividend payable		13,973	12,015
Lease liabilities		32,551	33,447
Current taxation		81,221	61,170
		239,930	233,562
Net current assets		2,192,776	2,055,574
Total assets less current liabilities carried forward		6,757,118	6,851,880

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2024

(Expressed in Hong Kong dollars)

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Notes		
Total assets less current liabilities brought forward	6,757,118	6,851,880
Non-current liabilities		
Deposits received	36,569	37,298
Deferred income	67,675	73,557
Lease liabilities	101,735	113,496
Deferred tax liabilities	520,912	546,610
	726,891	770,961
Net assets	6,030,227	6,080,919
Capital and reserves		
Share capital	92,857	92,857
Share premium	1,230,581	1,230,581
Contributed surplus	511,000	511,000
Revaluation reserve	123,950	123,950
Exchange reserve	(54,427)	(36,718)
Other reserves	1,202	1,202
Accumulated profits	4,125,064	4,158,047
Total equity	6,030,227	6,080,919

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

(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 2023	92,857	1,230,581	511,000	123,950	(17,446)	1,202	4,124,679	6,066,823
Changes in equity for the six months ended 30 June 2023:								
Profit for the period	-	-	-	-	-	-	117,829	117,829
Other comprehensive income	-	-	-	-	(32,198)	-	-	(32,198)
Total comprehensive income	-	-	-	-	(32,198)	-	117,829	85,631
Dividend approved in respect of the previous year (note 7(b))	-	-	-	-	-	-	(157,857)	(157,857)
Balance at 30 June 2023	92,857	1,230,581	511,000	123,950	(49,644)	1,202	4,084,651	5,994,597
Balance at 1 January 2024	92,857	1,230,581	511,000	123,950	(36,718)	1,202	4,158,047	6,080,919
Changes in equity for the six months ended 30 June 2024:								
Profit for the period	-	-	-	-	-	-	101,660	101,660
Other comprehensive income	-	-	-	-	(17,709)	-	-	(17,709)
Total comprehensive income	-	-	-	-	(17,709)	-	101,660	83,951
Dividend approved in respect of the previous year (note 7(b))	-	-	-	-	-	-	(134,643)	(134,643)
Balance at 30 June 2024	92,857	1,230,581	511,000	123,950	(54,427)	1,202	4,125,064	6,030,227

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2024

(Expressed in Hong Kong dollars)

		Six months ended 30 June	
		2024	2023
		\$'000	\$'000
	Notes		
Operating activities			
Cash generated from operations		139,390	212,367
Hong Kong profits tax paid		(14,963)	–
Overseas tax paid		(6,774)	(7,107)
Net cash generated from operating activities		117,653	205,260
Investing activities			
Payment for purchase of property, plant and equipment		(20,124)	(13,552)
Proceeds from disposal of property, plant and equipment		42	–
Refund in prepayments made		–	2,026
Placement of pledged bank deposits		(367)	–
Placement of bank deposits with original maturity beyond 3 months		(2,106,295)	(1,563,205)
Release of bank deposits with original maturity beyond 3 months		2,211,020	1,269,203
Other cash flows arising from investing activities		39,364	40,515
Net cash generated from/(used in) investing activities		123,640	(265,013)
Financing activities			
Capital element of lease rentals paid		(13,119)	(11,076)
Interest element of lease rentals paid		(2,557)	(2,887)
Dividends paid to equity shareholders of the Company		(132,685)	(155,562)
Net cash used in financing activities		(148,361)	(169,525)
Net increase/(decrease) in cash and cash equivalents		92,932	(229,278)
Cash and cash equivalents at 1 January		183,273	480,535
Effect of foreign exchange rates changes		(2,826)	(5,001)
Cash and cash equivalents at 30 June		273,379	246,256

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1. BASIS OF PREPARATION

The interim financial report of APT Satellite Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) and the Group’s investments in associates has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board (“IASB”) and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). It was authorised for issue on 22 August 2024.

The preparation of an interim financial report in conformity with IAS 34 and HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses on a year to date basis. Actual results may differ from these estimates under different assumptions and conditions. There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods.

The interim financial report is presented in Hong Kong dollars. The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual consolidated financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of consolidated financial statements prepared in accordance with IFRS Accounting Standards and Hong Kong Financial Reporting Standards (“HKFRSs”) and should be read in conjunction with the 2023 annual consolidated financial statements.

The interim financial report is unaudited, but has been reviewed by BDO Limited (“BDO”), in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. BDO’s independent review report to the Board of Directors is included on pages 37 to 38.

2. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in its interim financial report as in its 2023 annual consolidated financial statements, except for the following amendments to the standards which apply for the first time in 2024 and the application of certain accounting policies which became relevant to the Group in the current interim period. However, not all are expected to impact the Group as they are either not relevant to the Group's activities or required accounting which is consistent with the Group's current accounting policies.

The IASB/HKICPA has issued the following amendments to IFRS Accounting Standards/HKFRSs that are first effective for the current accounting period of the Group:

- Supplier Finance Arrangements (Amendments to IAS/HKAS 7 *Statement of Cash Flows* and IFRS/HKFRS 7 *Financial Instruments: Disclosures*)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS/HKFRS 16 *Leases*)
- Classification of Liabilities as Current or Non-current (Amendments to IAS/HKAS 1 *Presentation of Financial Statements*)
- Non-current Liabilities with Covenants (Amendments to IAS/HKAS 1 *Presentation of Financial Statements*)
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (HK Interpretation 5 (Revised)) ("HK-Int 5 (Revised)")

Supplier Finance Arrangements (Amendments to IAS/HKAS 7 *Statement of Cash Flows* and IFRS/HKFRS 7 *Financial Instruments: Disclosures*)

In May 2023, the IASB issued *Supplier Finance Arrangements*, which amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*. In July 2023, the HKICPA subsequently issued *Supplier Finance Arrangements*, which amended HKAS 7 *Statement of Cash Flows* and HKFRS 7 *Financial Instruments: Disclosures*, to maintain convergence of HKFRSs with IFRS Accounting Standards.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The amendments provide a transition relief whereby an entity is not required to provide the disclosures, otherwise required by the amendments, for any interim period presented within the annual reporting period in which the entity first applies those amendments.

The Group carried out an assessment of its contracts and operations and concluded that these amendments have had no effect on the interim condensed consolidated financial statements, regardless of the transition relief provided.

2. ACCOUNTING POLICIES (CONTINUED)

Lease Liability in a Sale and Leaseback (Amendments to IFRS/HKFRS 16 Leases)

In September 2022, the IASB issued amendments to IFRS 16 *Leases: Lease Liability in a Sale and Leaseback*. In November 2022, the HKICPA subsequently issued amendments to HKFRS 16 *Lease: Lease Liability in a Sale and Leaseback*, to maintain convergence of HKFRSs with IFRS Accounting Standards.

Prior to the amendments, IFRS/HKFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the amendments require a seller-lessee to determine “lease payments” or “revised lease payments” in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right to use retained by the seller-lessee.

These amendments had no effect on the interim condensed consolidated financial statements of the Group.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS/HKAS 1 Presentation of Financial Statements and HK-Int 5 (Revised))

The IASB issued amendments to IAS 1 *Presentation of Financial Statements* in January 2020 *Classification of Liabilities as Current or Non-current*, and in October 2022, *Non-current Liabilities with Covenants*. The HKICPA issued amendments to HKAS 1 *Presentation of Financial Statements* in August 2020 *Classification of Liability as Current or Non-current*, and in December 2022, *Non-current Liabilities with Covenants*. The HKICPA also issued HK-Int 5 (Revised) in December 2022.

The amendments clarify the following:

- An entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity’s right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity’s own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the interim condensed consolidated financial statements of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

Application of Certain Accounting Policies which became relevant to the Group in the Current Interim Period

Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss (“ECLs”) model under IFRS/HKFRS 9 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS/HKFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

3. 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 six months ended 30 June 2024 and 2023 were derived from the provision of satellite transponder capacity and related services, no other discrete financial information is provided to the executive directors for the purposes of resource allocation and assessment. Accordingly, only entity-wide disclosures, major customers and geographical information is presented.

Whilst the Group's customer base is diversified, it includes one customer with whom transaction has exceeded 10% of the Group's revenue (2023: one customer). For the six months ended 30 June 2024, revenue of \$110,190,000 (six months ended 30 June 2023: \$110,764,000) was derived from this customer and attributable to the provision of satellite transponder capacity and related services.

Geographical information

The Group's non-current 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 entity-wide analysis of the carrying amount of non-current 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 six months ended 30 June 2024 were \$63,310,000, \$167,708,000, \$117,619,000, and \$43,205,000 respectively (six months ended 30 June 2023: \$65,202,000, \$181,092,000, \$127,805,000, and \$45,629,000 respectively).

4. REVENUE AND SEASONALITY OF OPERATIONS

The principal activities of the Group are engaged in maintenance, operation, and provision of satellite transponder capacity, satellite-based broadcasting and telecommunications services, and other satellite-related services.

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

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Recognised overtime:		
– Income from provision of satellite transponder capacity	343,652	376,370
– Income from provision of satellite-based broadcasting and telecommunications services	2,096	1,952
– Other satellite-related service income	46,094	41,406
	391,842	419,728

The Group's operations are not subject to significant seasonality fluctuations.

5. PROFIT BEFORE TAXATION

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

		Six months ended 30 June	
		2024	2023
		\$'000	\$'000
(a) Other net gains			
	Interest income on bank deposits	56,443	40,156
	Other interest income	–	359
	Foreign currencies exchange loss	(5,740)	(10,232)
	Rental income in respect of properties less direct outgoing expenses of \$Nil (2023: \$Nil)	312	320
	Other income	200	1,530
		51,215	32,133
(b) Finance costs			
	Interest on lease liabilities	2,557	2,887
(c) Other items			
	Depreciation		
	– Property, plant and equipment	189,014	189,406
	– Right-of-use assets	16,148	11,475
	Amortisation	4,368	4,368
	Gain on disposal of property, plant and equipment	(30)	–
	Impairment loss on trade receivables recognised/(reversed)	904	(1,888)
	Impairment loss on other receivables reversed	(500)	–

6. INCOME TAX

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	35,494	39,457
Under-provision in respect of prior years	–	96
	35,494	39,553
Current tax – Outside Hong Kong		
Provision for the period	6,198	9,864
Over-provision in respect of prior years	–	(3,134)
	6,198	6,730
Deferred taxation – Hong Kong	(25,770)	(24,261)
Tax expense	15,922	22,022

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

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For one of the subsidiary, the first \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

Taxation outside Hong Kong includes profits tax and withholding taxes 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 and is calculated using the best estimate of the average annual effective rates expected to apply for the full year, applied to the pre-tax income of the six months period.

Deferred taxation in respect of Hong Kong Profits Tax was calculated at 16.5% (2023: 16.5%) of the estimated temporary differences for the period.

7. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the period

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Interim dividend proposed after the end of the reporting period of \$4.50 cents (2023: \$5.00 cents) per ordinary share	41,786	46,429

As the interim 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.

(b) Dividends attributable to the previous financial year, approved and paid during the period

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Final dividend in respect of the previous financial year, approved and paid during the period, of \$14.50 cents (2023: \$17.00 cents) per ordinary share	134,643	157,857

8. 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 \$101,660,000 (six months ended 30 June 2023: \$117,829,000) and the weighted average of 928,573,000 ordinary shares (30 June 2023: 928,573,000 ordinary shares) in issue during the period.

(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 six months ended 30 June 2024 and 2023.

9. PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

No additions to right-of-use assets were recognised as the Group has not entered into any new or renew lease agreements during the six months ended 30 June 2024 and 2023.

(b) Acquisitions and disposals

During the six months ended 30 June 2024, the Group acquired property, plant and equipment, including construction-in-progress but excluding right-of-use assets, at a total cost of \$20,124,000 (six months ended 30 June 2023: \$13,552,000). Items of property, plant and equipment with a net book value of \$12,000 were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: \$Nil), resulting in a gain on disposal of \$30,000 (six months ended 30 June 2023: \$Nil).

(c) Impairment loss

In the opinion of directors, there was no impairment indication that the carrying amount of non-financial assets have suffered any impairment loss. Given the material balance, the Group conducted a review of its property, plant and equipment as at 30 June 2024 and 31 December 2023 and concluded no impairment loss is recognised.

10. INVESTMENT PROPERTIES

The investment properties were revalued at 30 June 2024 at \$8,296,000 (31 December 2023: \$8,827,000) using direct comparison method by making reference to sales of comparable properties as available in the market assuming sale with the benefit of vacant possession by Savills Valuation and Professional Services (China) Limited, an independent professional property appraiser who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of the properties being valued. Fair value change including a valuation loss of \$309,000 (six months ended 30 June 2023: valuation gain of \$464,000) and an exchange loss of \$222,000 (six months ended 30 June 2023: \$460,000) have been recognised in profit or loss during the six months ended 30 June 2024.

11. INTANGIBLE ASSETS

(a) Intangible asset with indefinite useful life

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 and not subject to amortisation.

During the six months ended 30 June 2024 and 2023, the Group conducted a review for impairment of the intangible asset and concluded no impairment loss is recognised.

(b) Leased intangible assets – orbital slots

The amortisation charge for the six months ended 30 June 2024 of \$4,368,000 (six months ended 30 June 2023: \$4,368,000) is included in “cost of services” in the condensed consolidated statement of profit or loss.

12. INVESTMENTS IN ASSOCIATES

On 23 July 2016, the Group entered into an Investors' Agreement for the establishment of APT Mobile Satcom Limited ("APT Mobile") in Shenzhen, Guangdong Province of the People's Republic of China. The total registered capital of APT Mobile is RMB2,000 million (equivalent to \$2,359 million), of which the Group has contributed RMB600 million (equivalent to \$708 million), representing 30% of the equity interest in APT Mobile. Details of which can be referred to in the Company's announcements on 23 July 2016 and 14 August 2016 in relation to the establishment of APT Mobile.

The principal activities of APT Mobile are the construction and development of global high-throughput satellite communication system and was engaged in a project for the manufacturing, delivery and launching of the APSTAR-6D Satellite. APT Mobile is accounted for using the equity method in the condensed consolidated financial statements.

On 31 August 2021, the Group entered into an Investors' Agreement for the establishment of APSTAR Alliance Satcom Limited ("APSTAR Alliance") in Hong Kong. The total registered capital of APSTAR Alliance is US\$30 million (equivalent to \$234 million), of which the Group has contributed US\$6 million (equivalent to \$46.8 million), representing 20% of the equity interest in APSTAR Alliance.

The principal activities of APSTAR Alliance are the construction and development of global high-throughput satellite communication system and was engaged in a project for manufacturing and launching of the APSTAR-6E Satellite. APSTAR Alliance is accounted for using the equity method in the condensed consolidated financial statements.

13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

At 31 December 2023, trading in listed shares of Tsun Yip Holdings Limited (formerly known as CNC Holdings Limited) ("Tsun Yip") on the Stock Exchange was suspended since 15 August 2022 (the "Suspended Shares"). Based on the management assessment, the fair value of the Suspended Shares was \$Nil as at 31 December 2023.

On 1 March 2024, the listed shares of Tsun Yip was resumed trading. At 30 June 2024, the investment in the listed shares of Tsun Yip was remeasured at a fair value of \$1,388,000 (31 December 2023: \$Nil) based on the market price at the end of the reporting period, with fair value gain of \$1,388,000 (six months ended 30 June 2023: \$Nil) recognised in profit or loss.

14. TRADE RECEIVABLES, NET

The following is an ageing analysis of trade receivables, based on the date of revenue recognition and net of loss allowance, at the end of the reporting period:

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Within 30 days	182,602	99,370
31 – 60 days	14,811	5,894
61 – 90 days	13,031	5,740
91 – 120 days	11,513	334
Over 120 days	36,672	14,221
	258,629	125,559

The Group normally allows a credit period of 30 days from the date of revenue recognition to its trade customers. The trade receivables are expected to be recovered within one year from the end of the reporting period.

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Deposits	3,369	3,112
Prepayments	10,605	5,313
Interest receivables	22,362	5,283
Other receivables (net of loss allowance of \$10,476,000 (2023: \$11,091,000))	2,050	1,314
	38,386	15,022

Other receivables have no fixed repayment terms and are expected to be recovered within one year from the end of the reporting period.

16. CASH AND CASH EQUIVALENTS

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Deposits with bank and other financial institutions with original maturity less than 3 months	–	15,000
Cash at bank and on hand	273,379	168,273
Cash and cash equivalents in the condensed consolidated statement of financial position and condensed consolidated cash flow statement	273,379	183,273

17. PAYABLES AND ACCRUED CHARGES

Trade payables were aged within 3 months based on due date, and other payables and accrued charges are expected to be settled within one year from the end of the reporting period, except for the financial guarantee issued as explained below.

On 20 March 2024, a wholly-owned subsidiary of the Company, APT Satellite Company Limited (“APT HK”), entered into a guarantee agreement in favour of The Export-Import Bank of China (the “Bank”) to provide guarantee for the buyer credit loan in the principal amount of US\$116,900,000 (or its equivalent in RMB) made available by the Bank to APSTAR Alliance, an associate of the Group (note 12). Under the guarantee agreement, APT HK assumes joint guarantee liability with the principal debtor, APSTAR Alliance. The guarantee covers 20% of the principal amount advanced by the Bank with accrued interest and any other amounts payable by APSTAR Alliance under the relevant loan agreement. Details of the guarantee agreement and relevant loan agreement are set out in the Company’s announcement on 27 March 2024.

The guarantee periods start from the date of grant of the buyer credit loan to expiry of the financial guarantee agreement. At 30 June 2024, APSTAR Alliance had drawn down a principal amount of the buyer credit loan amounting to RMB729,516,000 (equivalent to \$783,920,000) with accrued interest of RMB3,202,000 (equivalent to \$3,441,000). At 30 June 2024, financial guarantee liability of \$583,000 (31 December 2023: \$Nil) was recognised in “other payables” in the condensed consolidated statement of financial position. The maximum amount of the financial guarantee liability of the Group as at 30 June 2024 is RMB146,544,000 (equivalent to \$152,472,000).

18. SHARE CAPITAL

Authorised and issued share capital

	At 30 June 2024		At 31 December 2023	
	No. of shares (‘000)	\$’000	No. of shares (‘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 and 30 June/31 December	928,573	92,857	928,573	92,857

19. FAIR VALUES

IFRS/HKFRS 13 *Fair Value Measurement*, categorises fair value measurements into a three-level hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	At 30 June 2024			At 31 December 2023		
	Level 1 \$’000	Level 2 \$’000	Level 3 \$’000	Level 1 \$’000	Level 2 \$’000	Level 3 \$’000
Assets						
Investment properties (note 10)	–	–	8,296	–	–	8,827
Financial assets measured at fair value through profit or loss (note 13)	1,388	–	–	–	–	–

19. FAIR VALUES (CONTINUED)

During the six months ended 30 June 2024, financial assets measured at fair value through profit or loss was transferred from Level 3 to Level 1 due to the resumption of trading in shares (note 13). Except for the above, there was no other transfer between levels of fair value hierarchy.

During the year ended 31 December 2023, there were no transfers between levels of fair value hierarchy.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All other financial assets and liabilities are carried at amounts not materially different from their fair values as at 30 June 2024 and 31 December 2023.

20. COMMITMENTS

At 30 June 2024, the Group had the following outstanding capital commitments not provided for in the condensed consolidated financial statements:

	At 30 June 2024 \$'000	At 31 December 2023 \$'000
Contracted for in respect of acquisition of property, plant and equipment	143,845	169,871

21. PLEDGED ASSETS

At 30 June 2024, a letter of guarantee issued by a bank to a subsidiary of the Company was secured by the Group's land and buildings with a net book value of \$2,618,000 (31 December 2023: \$2,676,000).

22. MATERIAL RELATED PARTY TRANSACTIONS

Except for those disclosed elsewhere in these condensed consolidated financial statements, the Group entered into the following material transactions with related parties during the period:

	Six months ended 30 June	
	2024	2023
	\$'000	\$'000
Income from fellow subsidiaries for providing satellite transponder capacity and satellite-based telecommunication services (<i>note (i)</i>)	133,243	145,854
Income from a holding company of a shareholder of the Company for providing satellite transponder capacity and satellite-based telecommunication services (<i>note (i)</i>)	1,959	3,020
Income from associates for providing satellite transponder capacity and satellite-based telecommunication services (<i>note (i)</i>)	5,075	3,679
Income from a subsidiary of an associate for providing satellite transponder capacity and satellite-based telecommunication services (<i>note (i)</i>)	36,003	29,449
Income from an associate for technical support and project management services (<i>note (ii)</i>)	1,230	1,983
Income from immediate holding company for human resource services (<i>note (ii)</i>)	200	200
Management fees paid to a fellow subsidiary (<i>note (iii)</i>)	(254)	(320)
Expenses to fellow subsidiaries for satellite transponder capacity and satellite-based telecommunication services (<i>note (iv)</i>)	(1,887)	(1,155)
Expenses to an associate for satellite transponder capacity and satellite-based telecommunication services (<i>note (iv)</i>)	(187)	-
Expenses to a subsidiary of an associate for satellite transponder capacity and satellite-based telecommunication services (<i>note (iv)</i>)	(3,584)	(2,856)

Notes:

- (i) The terms and conditions of these transponder capacity utilisation agreements are similar to those contracted with other customers of the Group.
- (ii) Proceeds from an associate or immediate holding company for technical support and project management services or human resource services provided during the period.
- (iii) Management fees were paid to a fellow subsidiary for human resource services received during the period.
- (iv) Transponder capacity services cost was paid to fellow subsidiaries, an associate and a subsidiary of an associate for services received during the period.

23. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors declared an interim dividend of \$41,786,000. Further details are disclosed in note 7 to the condensed consolidated financial statements.

ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 30 June 2024, according to the register of interests in shares and short positions kept by the Company under Section 336 of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong), the following companies are directly and indirectly interested in 5% or more of the issued share capital of the Company:

Name	Note	Number of shares interested	% of issued share capital
China Aerospace Science & Technology Corporation	1	508,950,000	54.80
China Satellite Communications Company Limited	2	495,450,000	53.35
APT Satellite International Company Limited	3	481,950,000	51.90
Temasek Holdings (Private) Limited	4	51,300,000	5.53
Singapore Telecommunications Limited	4	51,300,000	5.53
Singasat Private Limited	4	51,300,000	5.53

Notes:

- China Aerospace Science & Technology Corporation (“CASC”) was deemed to be interested in the shares of the Company by virtue of:
 - CASC holds directly and indirectly in aggregate 85.03% interest of China Satellite Communications Company Limited (“China Satcom”), which in turn holds (i) 42.86% interest in APT Satellite International Company Limited (“APT International”) and (ii) 100% interest in China Satellite Communications (Hong Kong) Corporation Limited, which in turn holds 13,500,000 shares (approximately 1.45% interest) of the Company;
 - CASC holds 100% interest directly in China Great Wall Industry Corporation, which in turn indirectly holds 14.29% interest in APT International; and
 - CASC directly holds 13,500,000 shares (approximately 1.45% interest) of the Company.
- China Satcom was deemed to be interested in the shares of the Company by virtue of:
 - China Satcom holds 42.86% interest in APT International; and
 - China Satcom holds 100% interest in China Satellite Communications (Hong Kong) Corporation Limited, which in turn holds 13,500,000 shares (approximately 1.45% interest) of the Company.

3. APT International directly holds 481,950,000 shares (approximately 51.90% interest) of the Company.
4. Temasek Holdings (Private) Limited (“Temasek”) was deemed to be interested in the shares of the Company by virtue of its interest through its controlled corporation (being Temasek’s 52.20% shareholding in Singapore Telecommunications Limited (“SingTel”), which was deemed to be interested in the shares of the Company by virtue of SingTel’s 100% shareholding in Singasat Private Limited). Singasat Private Limited holds 28.57% interest in APT International and directly holds 51,300,000 shares (approximately 5.53% interest) of the Company.

Save as disclosed above, as at 30 June 2024, no other party has an interest or a short position in the issued share capital of the Company, as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN SHARES

As at 30 June 2024, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the directors and chief executives of the Company as recorded in the register maintained by the Company under Section 352 of the SFO are as follows:

Name of Director and Chief Executive	Nature of interests	Number of shares held
Meng Xingguo (“Dr. Meng”)	Personal	438,000 ⁽¹⁾

Note:

- (1) Dr. Meng’s wife held 438,000 shares of the Company. By virtue of his spouse’s interests, Dr. Meng was deemed to be interested in the same parcel of shares held by his wife pursuant to Part XV of the SFO.

Save as disclosed above, as at 30 June 2024, none of the directors or the chief executive of the Company had or was interested, or was deemed to be interested in the shares, underlying shares or debentures of the Company nor any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company under Section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to the Part XV of the SFO or Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Appendix C3 to the Listing Rules.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes and updates in Directors' information are as follows:

- Mr. Lim Seng Kong resigned as the non-executive director of the Company with effect from 31 March 2024.
- Mr. Leong Kah Fai Keith was appointed as the non-executive director of the Company with effect from 31 March 2024.

Save as the changes disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 June 2024, the Company has met the code provisions ("Code Provisions") set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules, save for the following Code Provision:

B.2.2: the Chairman of the Board and the President are not subject to retirement by rotation given that would help the Company maintain its consistency of making business decisions.

MODEL CODE

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code.

Having made specific enquiries of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the period from 1 January 2024 to 30 June 2024.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT AND RISK MANAGEMENT COMMITTEE

In the meeting held on 21 August 2024, the Audit and Risk Management Committee reviewed with the management the accounting principles and practices adopted by the Group and the Company's unaudited interim financial report for the six months ended 30 June 2024, and discussed auditing and internal control matters.

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

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of APT Satellite Holdings Limited

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial statements set out on pages 12 to 33 which comprises the condensed consolidated statement of financial position of APT Satellite Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2024 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information (the “interim condensed consolidated financial statements”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and to be in compliance with either International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as issued by the International Accounting Standards Board or Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), depending on whether the issuer’s annual consolidated financial statements were prepared in accordance with IFRS Accounting Standards or Hong Kong Financial Reporting Standards (“HKFRSs”) respectively. As the annual consolidated financial statements of the Company are prepared in accordance with both IFRS Accounting Standards and HKFRSs, the directors are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with both IAS 34 and HKAS 34.

Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 or HKAS 34.

BDO Limited

Certified Public Accountants

Amy Yau Shuk Yuen

Practising Certificate No. P06095

Hong Kong, 22 August 2024