

CHAIRMAN'S STATEMENT

The Board of Directors (the "Board") of APT Satellite Holdings Limited (the "Company") hereby announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2004.

The interim financial report has been reviewed by the Company's Audit Committee and the auditors.

RESULTS

The Group's turnover and consolidated net loss attributable to shareholders amounted to HK\$130,623,000 (2003: HK\$151,261,000) and HK\$50,992,000 (2003: HK\$162,743,000) respectively. Basic loss per share was HK12.34 cents (2003: HK39.45 cents).

INTERIM DIVIDEND

In view of the loss recorded for the first half of 2004 and in line with the need of the Group's future development, the Board has resolved not to declare an interim dividend for the six months ended 30 June 2004 (2003: Nil).

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2004
(Expressed in Hong Kong dollars)

		Six months ended 30 June	
	Note	2004 \$'000 (Unaudited)	2003 \$'000 (Unaudited)
Turnover	3	130,623	151,261
Cost of services		(134,601)	(141,769)
		(3,978)	9,492
Other revenue		3,463	5,026
Administrative expenses		(39,569)	(31,584)
Impairment loss recognised in respect of property, plant and equipment	4	–	(92,438)
Loss from operations	3	(40,084)	(109,504)
Share of results of jointly controlled entities		(160)	(54,345)
Loss from ordinary activities before taxation	5	(40,244)	(163,849)
Income tax	6	(11,261)	622
Loss from ordinary activities after taxation		(51,505)	(163,227)
Minority interests		513	484
Loss attributable to shareholders		(50,992)	(162,743)
Loss per share	7		
– Basic		(12.34 cents)	(39.45 cents)
– Diluted		(12.34 cents)	(39.45 cents)