



Mr. Liu Ji Yuan
Chairman

The Board of Directors (the "Board") of APT Satellite Holdings Limited (the "Company") hereby announces the audited results of the Company and its subsidiaries (the "Group") in respect of the financial year ended 31 December 2005, which had been prepared in accordance with the accounting principles generally accepted in Hong Kong.

RESULTS

For the financial year ended 31 December 2005, the Group's turnover and loss attributable to shareholders amounted to HK\$336,512,000 (2004: HK\$277,260,000) and HK\$135,564,000 (2004 (restated): HK\$59,957,000) respectively. Basic loss per share was HK32.80 cents (2004 (restated): HK14.51 cents).

DIVIDENDS

In view of the loss recorded for the year of 2005 and the need of the Group's future development, the Board has resolved not to declare any payment of final dividend for the financial year ended 31 December 2005 (2004: Nil).

BUSINESS REVIEW

The Group's in-orbit satellites together with their corresponding telemetry, tracking and control systems, have been operating under normal condition during the period. The commencement of APSTAR VI in June 2005 further improved the competitive edge of the Group in market competition. Despite the fierce market competition due to supply over demand in transponder market in the Asia Pacific region, the Group still achieved significant growth in utilization rates. As of 31 December 2005, the utilization rates of APSTAR V and APSTAR VI were at 68.5% and 45% respectively.



Mr. Ni Yifeng
*Executive Director
and President*

APSTAR VI

APSTAR VI satellite was successfully launched on 12 April 2005. It is a high power satellite with 38 C-band transponders and 12 Ku-band transponders, located at geostationary orbital slot 134 degrees East longitude as a replacement satellite to APSTAR IA. This satellite provides broad Asia Pacific footprints with its C-band transponders covering China, India, Southeast Asia, Australia, South Pacific Islands, Guam and Hawaii, while its Ku-band focusing China market. It has a strong neighborhood effect due to the presences of CCTV and other renowned Chinese broadcasters and will become one of the most popular multilingual and multicultural satellite platforms in the Asia Pacific Region. Its commercial operation started on 7 June 2005 and is expected to have an operation mission life over 15 years. The customers of APSTAR IA have been migrated to APSTAR VI successfully.



"APT Satellite 2005 Domestic Radio and Television User Meeting" was held in Xinjiang, China, July 2005.

APSTAR V

APSTAR V commenced commercial operation on 13 August 2004 at geostationary orbital slot 138 degrees East longitude with an estimated operation mission life of 15.3 years. APSTAR V is a high power satellite with 38 C-band and 16 Ku-band transponders. Its C-band transponders cover China, India, Southeast Asia, Australia, South Pacific Islands, Guam and Hawaii whereas its Ku-band transponders cover Mainland China, India, Taiwan and Hong Kong. APSTAR V supports various transponder services including Direct-to-home broadcasting, Internet and VSAT services within Asia while providing an inter-connection to the United States.

The commencements of APSTAR V and APSTAR VI have effectively strengthened the competitive edges of the Group in transponder services market by providing the latest advanced and comprehensive satellite communication and broadcasting services to our customers. Both satellites have been well received by our customers, and the Group has secured new customers or increased transponder utilizations in both China market and overseas market.

APSTAR I and APSTAR IA

Both APSTAR I and APSTAR IA have been utilized by the Group's customer and contribute to the Group's revenue.



Intelsat and APT Satellite signed a strategic cooperation agreement on 2 December 2005 to serve Asia-Pacific market.

Forming Strategic Alliance in Sales and Marketing with Intelsat

On 2 December 2005, Intelsat Limited ("Intelsat") and APT Satellite Company Limited, a subsidiary of the Group signed a strategic cooperation agreement to expand business using the combined satellite fleets of both parties and to market each other's satellite capacity and ground resources, as well as to provide broadcast and telecommunications services to the Asia Pacific region, including China.

This strategic move will allow Intelsat, as well as its media and corporate data customers, to access the Asia Pacific market through the Group's two newly launched satellites, APSTAR V and APSTAR VI. The Group will have access to Intelsat's capacity in other regions of the world via Intelsat's fleet of 28 satellites, thereby expanding the Group's reach and giving it the ability to seamlessly carry its customers' traffic wherever they may need service. As part of the alliance, the two companies have agreed to explore additional growth initiatives such as IPTV, uplink services in the Asia-Pacific region, including China.

Forming this strategic alliance will significantly strengthen the Group's sales and marketing functions in the region. The alliance will also enable the Group to provide more comprehensive services to its customers.

Satellite TV Broadcasting and Uplink Services

The Group provides satellite TV uplink and broadcasting services through its wholly-owned subsidiary, APT Satellite TV Development Limited ("APT TV") and successfully established the satellite TV broadcasting platform for the broadcasting and uplink services under the Satellite TV Uplink and Downlink Licence. As at 31 December 2005, APT TV uplinks and broadcasts up to 53 satellite TV channels for the broadcasters of the region.



The Delegation of Shenzhen Securities Communication Co., Ltd. visited APT Satellite in October 2005.

Satellite-based Telecommunications Services

APT Telecom Services Limited ("APTS"), a wholly-owned subsidiary of the Group, provides satellite-based external telecommunication services to telecommunication operators of the region under the Fixed Carrier Licence of Hong Kong. APTS continues to provide VSAT, wholesales voice services, facilities management services and teleport uplink services to Hong Kong and Asian based telecommunication users including satellite operators, telecommunication operators, ISPs, and wholesale voice players contributing to the Group's revenue.

Both uplink and broadcasting services and telecommunication services enable the Group to strengthen its competitive edge by offering "One-stop-shop Services" and expand to the customer base of the Group.

Data Centre Business

APT Satellite Telecommunications Limited ("APT Telecom"), a jointly controlled entity between the Group and Singapore Telecommunications Limited, is actively offering the Data Centre services to customers in the region. The Data Centre Services enable the Group to achieve synergic effect in expanding telecommunication or broadcasting services.

BUSINESS PROSPECTS

As a result of the economic growth in the Asia Pacific region and the continued rapid economic growth in China, the demand of transponders will grow steadily in 2006. There will be increases in customers and transponder utilizations, and the increase in telecommunications or broadcasting services. Meanwhile, the market competition will still be fierce due to supply over demand with keen price pressure. The Group expects APSTAR V and APSTAR VI will continue to increase in utilizations and expand our market shares further in 2006.

Finance

As at 31 December 2005, the Group's financial position remains sound with gearing of 43% (total liabilities/total assets). The Liquidity Ratio (current assets/current liabilities) is 1.63 times. The shareholders' equity attributable to the Group is HK\$2,058,625,000. The Group has cash and cash equivalents amounting HK\$326,440,000 and pledged bank deposits of HK\$68,699,000. The capital expenditure for 2005 was approximately HK\$524,464,000.

Corporate Governance

The Group is committed to high standard of corporate governance especially in internal control and compliance. For details, please refer to the Corporate Governance Report contained in this Annual Report.

CONCLUSION

The market competition will still be fierce and transponders in the region are still oversupply in 2006. However, as evidenced by the improved utilization rates in 2005, APSTAR V and APSTAR VI will help improve the Group's market competition thereby improving the Group's financial performance in the coming years.

NOTE OF APPRECIATION

I would like to take this opportunity to thank all our customers and friends for their support, as well as to all staff members of the Group for their contributions to the Group during the period.

Liu Ji Yuan

Chairman

Shenzhen, China, 10 April 2006



APT Satellite held the 1st Workshop on Corporate Governance 5 August 2005.