

APSTAR

by APT Satellite

APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 1045)



ANNUAL
REPORT
2025

COMPANY PROFILE

APT Satellite Holdings Limited (the "Company") (Stock Code 1045) is a listed company in 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 associate company APT Mobile Satcom Limited and APSTAR-6E through its associate company APSTAR Alliance 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 (Investors Relations)

Web-site: www.apstar.com



CONTENTS

Corporate Information	2
Financial Highlights	4
Chairman's Statement	6
Management Discussion & Analysis	10
Corporate Governance Report	21
Environmental, Social and Governance Report	40
Directors' and Senior Management's Profiles and Changes	68
Directors' Report	75
Independent Auditor's Report	87
Consolidated Statement of Profit or Loss	93
Consolidated Statement of Comprehensive Income	94
Consolidated Statement of Financial Position	95
Consolidated Statement of Changes in Equity	97
Consolidated Cash Flow Statement	98
Notes to the Consolidated Financial Statements	99
Five Years Financial Summary	176

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Wang Hongbin (*President*)

Yan Zhao (*Vice President*)

Non-executive Directors

Sun Jing (*Chairman*)

Leong Kah Fai Keith

Yin Yen-liang

Fu Zhiheng

Lim Kian Soon

Li Xiaomei

Tseng 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

AUDITORS

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 Investor Services 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: aptmk@apstar.com (Marketing & Sales)
ir@apstar.com (Investor relations)

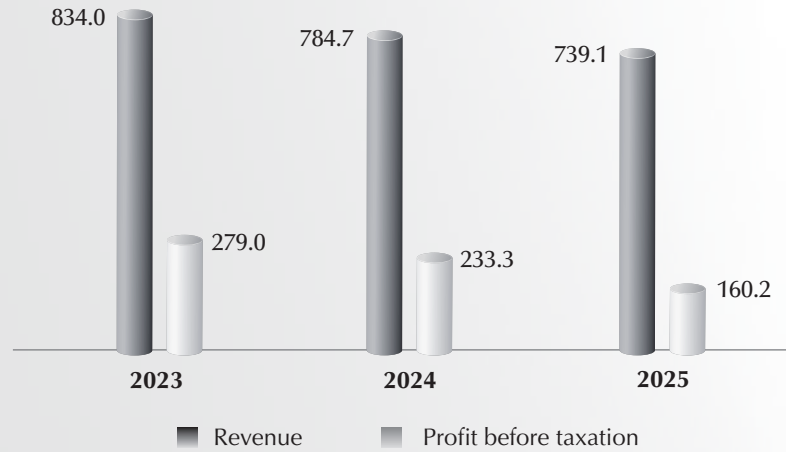
STOCK CODE

1045

FINANCIAL HIGHLIGHTS

REVENUE & PROFIT BEFORE TAXATION

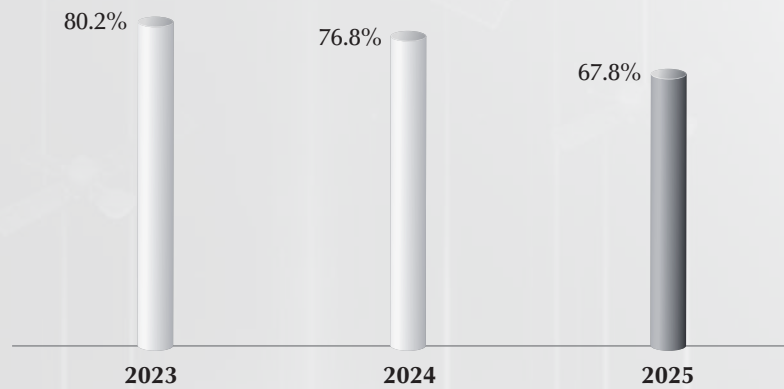
(HK\$ Million)



4

EBITDA MARGIN

(Percentage)





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 2025.

RESULTS

Revenue

In 2025, the Group's revenue amounted to HK\$739,092,000 (2024: HK\$784,650,000), representing a decrease of 5.8% amounting to HK\$45,558,000 as compared to 2024.

Profit before taxation

In 2025, the Group's profit before taxation amounted to HK\$160,238,000 (2024: HK\$233,265,000), representing a decrease of 31.3% amounting to HK\$73,027,000 as compared to 2024.

Profit attributable to equity shareholders

In 2025, the Group's profit attributable to equity shareholders amounted to HK\$141,392,000 (2024: HK\$205,221,000), representing a decrease of 31.1% amounting to HK\$63,829,000 as compared to 2024. Basic earnings per share and diluted earnings per share were HK15.23 cents (2024: HK22.10 cents).

DIVIDENDS

During the year, the Company has declared and paid an interim dividend in cash of HK2.50 cents per ordinary share. The Board has resolved to declare a final dividend in cash of HK6.00 cents per ordinary share for the financial year ended 31 December 2025 (2024: HK6.50 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 Friday, 22 May 2026. The final dividend will be paid on or about Wednesday, 17 June 2026 to shareholders whose names appear on the register of members at the close of business on Thursday, 4 June 2026.

BUSINESS REVIEW

In-Orbit Satellites

During the year, 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), APSTAR-6E (operated by APSTAR Alliance Satcom Limited ("APSTAR Alliance"), 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 integrated to form the super wide and strong satellite service capability provided to Asia, Oceania, Middle East, Africa, Europe, and the Pacific region, covering more than 75% of the world's population.

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), positioned at 134 degree East Longitude in geostationary orbit, is equipped with high-throughput multiple spot beams and other unique and advanced features which will provide high quality broadband services in South East Asia region.



CHAIRMAN'S STATEMENT

Ground Facilities

In line with its HTS satellite development strategy, the Group completed the construction or acquired full service capacity of multiple gateway station 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 and processing of customer traffic in HTS system, supports the in-orbit APSTAR HTS satellites and starts to expand and supports 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 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"), the ground facilities in CHK Station will further enhance the Group's ground facility service capabilities. At present, C-band antenna facilities have been built at the CHK Station. The extended C-band telemetry will be transferred from TT&C station in Tai Po to CHK Station to avoid 5G signal interference and ensure the safety of satellite TT&C.

TRANSPONDER LEASE SERVICES

In 2025 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 2026, the situation of oversupply and keen competition in the global and Asia Pacific satellite transponder market will remain unchanged. Expected lower market prices, regional economic downturn and customer payment difficulties will impose substantial pressure on the Group's transponder leasing business. Traditional satellite business also faces challenges including the shrinkage of video broadcasting business and the impact of medium and low Earth orbit constellations. At the same time, new opportunities exist in the industry. Advances in satellite communication technologies and declining costs have promoted industry development, and demand in core markets such as Southeast Asia has grown rapidly. Facing the new situation, the Group will adhere to its strategic positioning and comprehensive development plan, continuously strengthen the expansion of satellite bandwidth and transponder leasing business on APSTAR-5C, APSTAR-6C, APSTAR-7 and APSTAR-9, improve the utilization efficiency of satellite resources, and consolidate its market position through optimized operation and services. In addition, relying on the high-throughput satellites APSTAR-6D and APSTAR-6E of its associate companies, the Group will deepen synergy and cooperation, gradually expand its market share by achieving in-depth business cooperation in specific markets with key customers, establishing local teams and providing one-stop comprehensive services. The Group maintains a sound financial position and sufficient capital. It plans to complete the construction of the CHK Station in Hong Kong during the year, which will enhance the telemetry, tracking and command (TT&C) security and expand the Group's ground network facilities and service capabilities. The Group has carried out the preliminary preparation of satellite projects adopting new-generation advanced technologies and the expansion of new business areas, so as to strengthen the Group's overall competitiveness and maintain the steady and sustainable development of the business.

CORPORATE GOVERNANCE

The Group maintains strict and 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 and social responsibility.

NOTE OF APPRECIATION

In 2025, with the support of customers and the efforts of all our staff, the Group continued to maintain stable operations and a healthy financial position, achieved good performance, and contributed a good return on investment to shareholders. I would like to take this opportunity to express my sincere gratitude to all the customers of APSTAR for their long-term support to the Group. At the same time, I would like to express my grateful gratitude to the directors and all of our staff for their unremitting efforts and contributions to the development of the Group.

By Order of the Board

APT Satellite Holdings Limited

Sun Jing

Chairman

Hong Kong, 19 March 2026

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW

Corporate strategies & positioning

The Group endeavours to become one of the leading regional satellite operators in the Asia Pacific region. It commenced its operation in 1992 and currently operates 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 APSTAR-6E (operated by APSTAR Alliance Satcom Limited (“APSTAR Alliance”), an associate of the Group) in geostationary orbital slots at 138, 134, 76.5 and 142 degree East Longitude covering regions in Asia, Europe, Africa, and Oceania, approximately 75% of the world’s population with its reliable and high-standard quality transponder, broadcasting, telecommunication, data-centre and gateway stations services. Based on the experience of providing the solution products to the customers of the past few years, the Group will diversify the product range to face the challenges proactively in the future.

Financial performance

Despite the fact that the Group has encountered fierce market competition due to oversupply situation in transponder market and significant price pressure, the Group has maintained its profitability in the year 2025. The Group’s revenue in 2025 amounted to HK\$739,092,000 (2024: HK\$784,650,000), representing a decrease of 5.8% amounting to HK\$45,558,000 as compared to 2024. The Group’s profit attributable to equity shareholders amounted to HK\$141,392,000 in 2025 (2024: HK\$205,221,000). Basic earnings per share and diluted earnings per share were both HK15.23 cents in 2025 (2024: HK22.10 cents).

Rental received and liquidity

Despite the fact that the Group is in the progress of developing the ground gateway stations and invests in associate companies concurrently, with total capital commitment in aggregate of US\$16,123,000 (equivalent to HK\$125,758,000), the financial position and cash flow situation of the Group over the coming years will remain to be sound owing to the facts that (a) the Group had approximately HK\$2,734,721,000 of cash and bank balances as at 31 December 2025; (b) the Group has operating cash inflow arising from the transponder lease services during the year ended 31 December 2025; (c) the Group has available unutilised bank loan facilities approximately US\$82,000,000 (equivalent to HK\$639,600,000) and HK\$100,000,000; and (d) the Group has been at a fairly low gearing position which allows it to raise external borrowings in the future, when necessary.

BUSINESS REVIEW (Continued)

Principal risks and uncertainties

The Group, being one of the leading regional satellite operators in the Asia Pacific region operating several in-orbit satellites, may encounter various types of risks at different levels and in various forms. It is the responsibility of the Board to control and manage the risks and uncertainties to be encountered by the Group. Through the effective risk management, risks are managed with appropriate mitigation measures in place to minimise the exposure.

In year 2025, the principal risks and uncertainties identified and faced by the Group are discussed below:

1. *Project Development and Technical Risks*

(i) Satellite In-orbit Failure Risks

The Group will in line with the industry practice, take out in-orbit insurance policies to cover the risks of failure of the Group's in-orbit satellites. The insurance will cover the net book values of the in-orbit satellites and seek to reduce exclusions from claims coverage. In the unlikely event of failure or loss of in-orbit satellite, the Group will be able to recover such loss or damages by the insurance indemnity under the respective insurance policies.

In addition, the Group is also cooperating with partners to build a resource coordination and mutual backup mechanism of satellites to address this risk.

(ii) Frequency Licence Risks

The 5G implementation will bring up the concerns for impact on lower part of C-band frequency which is currently utilized by satellite communication. The Group has already taken precautions to eliminate it, for the newly launched satellites in past few years, the Group has reduced the allocation of transponders in the potential affected frequency band, and allocated more resources of the satellite with Ku-band, Ka-band as well as HTS transponders. Meanwhile, the planning for construction of backup earth stations will eliminate the impact on satellite Telemetry, Tracking & Command from 5G services.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW (Continued)

Principal risks and uncertainties (Continued)

2. *Market Risks*

Major market risks will stem from:

- (i) oversupply situation of transponders due to advancement of satellite telecommunication technology (including Starlink Internet Constellation which is already in commercial operation) and newly launched satellites from other satellite operators;
- (ii) continued price pressure as a result of fierce market competition subsequent to oversupply situation of transponders and other mature and high cost effective technology and products in the market;
- (iii) default of contracts due to the collapses of certain businesses caused by gradual economic downturn or lower market price expectations, varying degrees of economic downturn and fiscal budget tightening in various regions, the appreciation of the US dollar and interest rate hikes, the shortage of foreign exchange in the countries where customers are located and the rising operating costs of customers have led to difficulties in customer payment or market protection in certain economies and sectors and the impact on the sales of C-band transponders that account for a significant proportion of satellite transponder capacity; and
- (iv) business risks attributable to the fact of being relying on a few key customers or markets.

The Group has successfully implemented APSTAR-6D project through APT Mobile and APSTAR-6E project through APSTAR Alliance and providing the market with advanced technology and better performance of satellite resource as well as more variety of services, so as to enhance the competitive edge and to satisfy the diverse market demand for satellite applications, strengthen sales resource allocation to expand the market and customer base while balancing the possible lost share of some markets, establish strategic cooperation to maintain long-term strong user relationships, so as to achieve the diversification and reduction of market risks.

BUSINESS REVIEW (Continued)

Principal risks and uncertainties (Continued)

3. Financial Risks

Major financial risks will stem from the following situations (Details of the Group's financial risk management are set out in note 28 to the consolidated financial statements of the annual report):

- (i) Most of the payments under the Group's transponder utilisation agreements are denominated in United States Dollars. Part of the revenue from the Mainland China market is denominated in Renminbi. The fluctuation of Renminbi exchange rate against Hong Kong dollars may adversely affect the Group's operating results. On the other hand, the Group's risk exposure due to fluctuation of the United States Dollar exchange rate against Hong Kong dollars is insignificant as the Hong Kong Dollar is pegged to the United States Dollar.

Despite the revenue from the Mainland China market being denominated in Renminbi, the Group considers that the Group's risk exposure due to fluctuation of exchange rates is insignificant. The Group reviews the Group's risk exposure due to fluctuation of exchange rates regularly and recognises hedging as one of the measures to mitigate the currency risk.

- (ii) The change of tax regime in the countries from which the revenue is derived. To reduce the tax risk, the Group has sought advice from tax consultants for review and assessment of the global tax impact.
- (iii) Possible adverse effect to net income by impairments of the value of property, plant and equipment (including the satellites) and intangible assets. If any part of the property, plant and equipment and intangible assets are deemed to be impaired in whole or in part, the Group could be required to reduce or write-off such assets, which could have a material adverse effect on the Group's financial condition.

As mentioned in earlier paragraphs, the financial position and cash flow situation of the Group over the coming years will remain sound. In view of the existing internal resources of the Group as well as the cash inflow from the transponder lease service and the external borrowings in the future, the Group can comfortably cope with any long-term or short-term financial and cash-flow commitment without difficulties.

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS REVIEW (Continued)

Principal risks and uncertainties (Continued)

4. *Regulatory and Compliance Risks*

The regulatory and conformance risks may stem from the change of the statutes, rules, codes or regulatory regime in Hong Kong or overseas where the Group's services are performed.

The Group will apply for the necessary licences and permits, or cooperate with licensed partner for all satellites and services in a timely manner for their respective operations and commit to comply with all relevant laws and regulations.

The Group has reviewed the changes and updates of those relevant laws, regulations and standards including the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Hong Kong Companies Ordinance (Cap. 622), the Securities and Futures Ordinance (Cap. 571), the Competition Ordinance (Cap. 619), Companies Act 1981 of Bermuda (as amended) and the IFRS Accounting Standards/Hong Kong Financial Reporting Standards which may have significant effect on the Group's financial reporting, compliance and operation. The Group has not encountered any significant risk on regulatory compliance during the period.

5. *Litigation Risks*

There was no litigation or claim of material significance known to the Group to be pending or threatened by or against the Company or any member of the Group during the year.

The Board and the Audit and Risk Management Committee have reviewed the above risks identified and are of the view that they will not cause imminent and material adverse effect or impact to the financial and normal operation of the Group, and that these risks are under control.

FINANCIAL REVIEW

As at 31 December 2025, the Group's financial position remains sound. The table below sets out the financial performance for the years ended 31 December 2025 and 2024:

Financial Highlights

	2025 HK\$'000	2024 HK\$'000	Changes
Revenue	739,092	784,650	-5.8%
Gross profit	201,859	284,129	-29.0%
Profit before taxation	160,238	233,265	-31.3%
Profit attributable to equity shareholders	141,392	205,221	-31.1%
Basic earnings per share (HK cents)	15.23	22.10	-31.1%
EBITDA (Note 1)	500,978	602,477	-16.9%
EBITDA Margin (%)	67.8%	76.8%	-9.0 percentage points

At 31 December

	2025 HK\$'000	2024 HK\$'000	Changes
Total cash and bank balance	2,734,721	2,448,394	+11.7%
Total assets	6,943,447	6,966,130	-0.3%
Total liabilities	779,342	877,443	-11.2%
Net assets per share (HK\$)	6.64	6.56	+1.2%
Gearing ratio (%) (Note 2)	11.2%	12.6%	-1.4 percentage points
Liquidity ratio	13.82 times	12.27 times	+1.55 times

Note 1: EBITDA is defined as profit from operations before other net gains, valuation loss on investment properties, loss on written off of property, plant and equipment, loss on disposal of property, plant and equipment, loss on disposal of an associate and depreciation and amortisation.

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

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW (Continued)

Revenue

	2025 HK\$'000	2024 HK\$'000	Changes
Income from provision of satellite transponder capacity	626,561	680,358	-7.9%
Income from provision of satellite-based broadcasting and telecommunications services	3,493	4,123	-15.3%
Other satellite-related service income	109,038	100,169	+8.9%
Total	739,092	784,650	-5.8%

For the year ended 31 December 2025, the Group's revenue amounted to HK\$739,092,000 (2024: HK\$784,650,000), representing 5.8% decrease as compared with 2024. The decrease was mainly attributable to the decrease in income from provision of satellite transponder capacity during the year. The profit attributable to shareholders decreased by 31.1% to HK\$141,392,000.

Other net gains

	2025 HK\$'000	2024 HK\$'000	Changes
Interest income on bank deposits and other interest income	83,364	108,786	-23.4%
Foreign currencies exchange gain	10,208	180	+5,571.1%
Rental income in respect of properties less direct outgoing expenses	891	961	-7.3%
Gain on bargain purchase on acquisition of subsidiaries	-	1,096	-100.0%
Other income	1,898	788	+140.9%
Total	96,361	111,811	-13.8%

Total other net gains for the year ended 31 December 2025 decreased to HK\$96,361,000. The decrease was mainly due to the decrease in the interest income on bank deposits during the year.

FINANCIAL REVIEW (Continued)

Finance costs

Finance costs of HK\$4,106,000 were recognised for the year ended 31 December 2025 (2024: HK\$5,056,000). The decrease was mainly attributable to decrease in interest on lease liabilities.

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

As 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. Subsequently, during the year ended 31 December 2024, the Group disposed the entire investment in the listed shares of Tsun Yip at a fair value of HK\$1,133,000 based on the market price at the date of disposal, with fair value gain of HK\$1,133,000 recognised in profit or loss. There was no fair value gain on financial assets measured at fair value through profit or loss for the year ended 31 December 2025 (2024: HK\$1,133,000).

The details of financial assets measured at fair value through profit or loss of the Group are set out in note 15 of the consolidated financial statement.

Income tax

Income tax expenses for the year ended 31 December 2025 decreased to HK\$18,453,000, as compared to HK\$30,945,000 in 2024. The details of income tax of the Group are set out in note 5(a) of the consolidated financial statement.

EBITDA

As a result of the decrease in revenue, EBITDA for the year ended 31 December 2025 decreased to HK\$500,978,000, with the margin decreased from 76.8% to 67.8%.

CAPITAL EXPENDITURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

For the year ended 31 December 2025, the Group’s capital expenditure incurred for property, plant and equipment was HK\$49,100,000 (2024: HK\$48,733,000). The capital expenditure was mainly for the addition of construction in progress (2024: addition of construction in progress). The above capital expenditures were financed by internally-generated funds and cash flows from operating activities.

MANAGEMENT DISCUSSION & ANALYSIS

CAPITAL EXPENDITURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO (Continued)

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 31 December 2025 (2024: 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 31 December 2025 (2024: 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 31 December 2025 (2024: HK\$Nil).

As at 31 December 2025, the Group’s total liabilities were HK\$779,342,000, a decrease of HK\$98,101,000 as compared to 31 December 2024, mainly due to the decrease in deferred income and deferred tax liabilities. The gearing ratio (total liabilities/total assets) has decreased to 11.2% representing a 1.4 percentage point decrease as compared to 31 December 2024.

For the year ended 31 December 2025, the Group recorded a net decrease in cash and cash equivalents of HK\$64,334,000 (2024: a net increase of HK\$285,647,000) which included net cash inflow of HK\$341,887,000 generated from operating activities. This was offset by net cash outflow of HK\$295,080,000 used in investing activities and HK\$111,141,000 used in financing activities and positive effect of foreign exchange rate changes of HK\$5,153,000.

As at 31 December 2025, the Group has HK\$2,734,721,000 of cash and bank balances, of which were denominated 93.05% in United States Dollar, 1.74% in Renminbi, 5.03% in Hong Kong Dollar and 0.18% in other currencies. The balance comprised of HK\$1,522,000 pledged bank deposits, HK\$406,712,000 cash and cash equivalents and HK\$2,326,487,000 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 EXPENDITURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO (Continued)

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 and Renminbi. 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 appreciated against the Hong Kong Dollar during the year ended 31 December 2025.

Charges on group assets

As at 31 December 2025, pledged bank deposits of HK\$1,522,000 (2024: HK\$367,000) related to certain commercial arrangements made during the year.

At 31 December 2025, 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\$2,444,000 (2024: HK\$2,560,000).

Capital commitments

As at 31 December 2025, the Group had outstanding contracted capital commitments of HK\$116,136,000 (2024: HK\$125,758,000).

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) (2024: US\$116,900,000) 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.

MANAGEMENT DISCUSSION & ANALYSIS

CAPITAL EXPENDITURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO (Continued)

Financial guarantee (Continued)

The guarantee periods start from the date of grant of the buyer credit loan to expiry of the financial guarantee agreement. At 31 December 2025, APSTAR Alliance had drawn down a principal amount of the buyer credit loan amounting to RMB805,968,000 (equivalent to HK\$896,615,000) with accrued interest of RMB12,407,000 (equivalent to HK\$13,802,000). At 31 December 2025, financial guarantee liability of HK\$9,788,000 (2024: HK\$2,355,000) was recognised in “other payables” in the consolidated statement of financial position. The maximum amount of the financial guarantee liability of the Group as at 31 December 2025 is RMB163,675,000 (equivalent to HK\$182,084,000).

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 37 of the consolidated financial statement.

Compliance confirmation

The Board confirms that throughout the year 2025, the Group has conformed in all material respects with all the requirements under relevant statutes, rules, standards, codes, licenses in respect of its operation, financial reporting, or disclosures in Hong Kong or other applicable jurisdictions.

Environmental protection and stakeholders' rights

The Group recognizes the enlightened shareholders' approach and respects: (i) the importance of environmental protection; (ii) the lawful rights of stakeholders, broadly to be categorized as employees, customers, suppliers, members of communities, and (iii) corporate social responsibilities of the Group as a member of the society. A specific report on these issues is covered in the “Environmental, Social and Governance Report” of this Annual Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Appendix C1 to The Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the board of directors (the “Board”) of APT Satellite Holdings Limited (the “Company”) presents this Corporate Governance Report for the accounting period covered by this annual report.

CORPORATE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit. Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure satisfactory and sustainable returns to shareholders; the delivery of high-quality products and services to the satisfaction of customers; and the high standards of ethics are maintained.

The Company believes that in order to achieve the Company’s vision, mission, policies and business strategies, the Company’s core values need to be reflected in the corporate culture and embedded into the ethics, behavior and business activities of employees, including the following:

- to become a leading regional comprehensive satellite service provider in the Asia Pacific region
- to improve the branding and influence of APSTAR system continuously
- to pursue excellent service, high quality and reliability, efficient and innovation
- to enhance the Company’s core competitiveness, risk resistance capabilities and sustainable development capabilities
- to emphasis on business internationalization; management professionalization
- to advocate integrity and responsibility; continue to improve employees’ code of ethics
- to balance the needs of customers, employees, society and the environment to create sustainable value and build a sustainable future

The Company will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Company.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board remains committed in maintaining high standard of corporate governance in the Company and its subsidiaries (collectively the “Group”).

Throughout the year ended 31 December 2025, albeit few exceptions as explained below, the Board upholds the compliance of the code provisions (“Code Provisions”) as well as some Recommended Best Practices (“Best Practices”) set out in the Corporate Governance Code (“CG Code”) contained in Appendix C1 to the Listing Rules.

To comply with the Code Provisions and some Best Practices and to ensure the standard of corporate governance, the Board has maintained the Audit and Risk Management Committee, the Nomination Committee and the Remuneration Committee having respective Terms of Reference.

At the management level, in order to further strengthen the management and control of risks and compliance matters, the Company has also established the Internal Control and Risk Management Committee and an internal audit team, which report directly to the Audit and Risk Management Committee on its findings and recommendations.

Furthermore, in order to promote honest and ethical business conduct throughout the Group, the Board has also adopted a series of codes and measures, including the Code of Ethical Business Conduct for the directors and employees of the Company; the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules; the Complaint Handling Procedure and the Whistleblower Protection Policy.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the year of 2025, the Company has complied with the Code Provisions save for the following Code Provisions:

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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the "Code of Conduct") regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code ("Model Code") contained in the Appendix C3 to the Listing Rules. The Board has also adopted the newly amended Model Code which came into effect in 2009.

Having made specific enquiries of all directors, the Company's directors have confirmed that they have complied with the required standard set out in the Model Code and its Code of Conduct regarding directors' securities transactions throughout the accounting period covered by this annual report of the Company.

For details of the Directors' interests in shares of the Company, please refer to the section headed "Directors' and Chief Executive's Interests in Shares" in the "Directors' Report" of this annual report.

BOARD OF DIRECTORS

Composition of the Board

The Board is responsible for determining the overall strategy; reviewing and approving the work plan of the Group; and overseeing the corporate governance of the Group. The management of the Company is responsible for proposing and implementing the work plan of the Group, executing the day-to-day operation of the Group and undertaking any further responsibilities as delegated by the Board from time to time.

The Board comprises two Executive Directors, six Non-executive Directors and four Independent Non-executive Directors ("INEDs"). Biographical information, including the relationships, if any, among members of the Board, is set out in the section headed "Directors' and Senior Management's Profiles and Changes" of this annual report.

In respect of the Listing Rules requirements regarding sufficient number of INEDs and at least one INED with appropriate qualifications, the Company has met these requirements. The Company has received from each of the INEDs an annual confirmation as regards their independence pursuant to Rule 3.13 of the Listing Rules and in the opinion of the Board having regard to the Company's Nomination Committee's assessment of their independence, they remain to be considered as independent.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS (Continued)

Composition of the Board (Continued)

The Board held four board meetings and one general meeting in 2025 and the following table shows the individual attendance of each director during their term of office in 2025:

Name of the Director	Number of board meetings entitled to attend during the director's term of office in 2025	Number of meeting(s) attended [#]	Number of general meetings entitled to attend during the director's term of office in 2025	Number of meeting(s) attended [#]
Executive Directors:				
Wang Hongbin (<i>President</i>)	4	4	1	1
Yan Zhao (<i>Vice President</i>)	4	4	1	1
Non-executive Directors:				
Sun Jing (<i>Chairman</i>)	4	4	1	0
Leong Kah Fai Keith	4	3	1	0
Yin Yen-liang	4	3	1	0
Fu Zhiheng	4	4	1	0
Lim Kian Soon	4	4	1	0
Li Xiaomei	4	4	1	0
Tseng Ta-mon (<i>alternate Director to Yin Yen-liang</i>)	4	3	1	0
Independent Non-executive Directors:				
Lam Sek Kong	4	4	1	1
Cui Liguo	4	4	1	1
Meng Xingguo	4	4	1	1
Yim Ka Man	4	4	1	1

Note:

[#] Including meetings attended by the director via telephone conferences.

BOARD OF DIRECTORS (Continued)

Chairman and Chief Executive Officer

Mr. Sun Jing is the Chairman and a Non-executive Director of the Board, while Mr. Wang Hongbin is the President of the Company and is an Executive Director of the Board.

The roles of the Chairman and the President are segregated. The Chairman's main role is to lead the Board in discharging its powers and duties, while the President's main role is to lead the management of the Company for undertaking all the responsibilities delegated by the Board and managing the overall operation of the Group.

Appointment, Retirement and Re-election of Directors

Non-executive Directors of the Company are not appointed for a specific term but shall retire from office by rotation once every three years (as referred to the Bye-Law 87 of the Company which provides that at each annual general meeting one-third of the Directors of the Company shall retire from office by rotation).

To maintain the consistency of making business decisions of the Company, the Chairman and the President shall not be subject to retirement by rotation, whilst holding such office, as provided in the Bye-Law 87(1) of the Company.

All the appointment and re-appointment of Directors of the Board are subject to review by the Company's Nomination Committee, while all the Directors' remuneration is subject to review by the Company's Remuneration Committee.

Board Diversity Policy

The Board adopted the Board Diversity Policy on 26 August 2013, pursuant to which the Group recognises the benefits of having a diverse Board and views increasing diversity at the Board level as an essential element in maintaining the Group's competitive advantage. The policy which requires board appointments to be made based on merit and candidates to be considered against an objective criteria, including diversity.

Selection of candidates will be based on a range of diversity perspectives, which will include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and regional industry experience. The ultimate decision will be based on overall contribution that the selected candidates will bring to the Board and the Company.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile.

During the year, for the changes on the Board, Nomination Committee has evaluated by reference to, among other things, the age, gender, cultural and educational background and professional experience of each director, against the Company's business model and specific needs.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS (Continued)

Board Diversity Policy (Continued)

The diversity mix of the Board as at 31 December 2025 is summarized below:

The Current Composition of the Board

Age of Director

30 – 49 years (2 persons)

50 – 59 years (5 persons)

60 years and above (6 persons)*

Gender of Director

Male (84.6%)*

Female (15.4%)

Year of service as Director

Below 5 years (6 persons)

5 – 10 years (0 person)

Over 10 years (7 persons)*

Note:

* include alternate director

The Board will review measurable objectives from time to time to implement the Board Diversity Policy and to ensure their appropriateness and ascertain the progress made towards achieving those objectives. A series of practices have been put into place, including insisting in not using gender as a selection criteria in our recruitment process, increasing the quality of our recruitment, in order to ensure that we can attract talents to fulfill our board diversity goals.

Workforce Diversity Policy

The Board also recognises the importance of diversity at the workforce level. The Board adopted the Workforce Diversity Policy. The Group values diversity among employees, treats employees of different gender, religion, nationality and race equally, and fully ensures that employees enjoy equal rights in recruitment, post adjustment, training and promotion. We appreciate and encourage diversity in the workplace and create a professional, inclusive and diversified working environment. The Group has a balanced structure of male and female employees. The Group will continue to maintain gender balance to achieve gender diversity among employees. As at 31 December 2025, the overall male-to-female ratio of the senior management and general staff is as follows:

Senior Management	Male (67%):Female (33%)
General Staff	Male (76%):Female (24%)

BOARD OF DIRECTORS (Continued)

Board Independence

The Company has established a Board Independence Evaluation Mechanism in 2022 which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests. The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director. Pursuant to the Board Independence Evaluation Mechanism, all Directors have completed the independence evaluation in the form of a questionnaire individually during the year. The Board has reviewed its independence. The evaluation report was presented to the Board and the evaluation results were satisfactory. The Board has collectively discussed the results and the action plan for improvement, if appropriate.

The Board believes that these policies, checks and balances mechanism, among other things, are well in place ensuring good corporate governance of the Company. The Board as a whole will continue to oversee every aspect of the Company's corporate governance and endeavours maintain high standard corporate governance throughout the Group.

Directors' Training

Upon appointment to the Board, the Directors will receive training in respect of the directors' duty and a package of orientation materials about the Group and are provided with a comprehensive induction to the Group's business by senior executives. The package includes, among others, a copy of "A Guide on Directors' Duties" issued by the Companies Registry of Hong Kong. The Group also provides briefings and other training to develop and refresh Directors' knowledge and skills, the Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practice. Newsletter or guidance notes are issued to Directors and senior management, where appropriate, to ensure awareness of best corporate governance practices. To ensure the Board continues to focus on climate related and ESG issues, all Directors completed training modules specifically covering the HKEX Climate Guidance, focusing on the Scope 1 & 2 reporting standards.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS (Continued)

Directors' Training (Continued)

During the year ended 31 December 2025, participation of Directors in continued professional development are as follow:

	Topic of Training		
	Corporate Governance	ESG & Climate Change	Anti-Corruption
Wang Hongbin	✓	✓	✓
Yan Zhao	✓	✓	✓
Sun Jing	✓	✓	✓
Leong Kah Fai Keith	✓	✓	✓
Yin Yen-liang	✓	✓	✓
Fu Zhiheng	✓	✓	✓
Lim Kian Soon	✓	✓	✓
Li Xiaomei	✓	✓	✓
Tseng Ta-mon (alternate director to Yin Yen-liang)	✓	✓	✓
Lam Sek Kong	✓	✓	✓
Cui Ligu	✓	✓	✓
Meng Xingguo	✓	✓	✓
Yim Ka Man	✓	✓	✓

BOARD COMMITTEES

Remuneration Committee

The Remuneration Committee comprises five members, including four Independent Non-executive Directors of the Company, namely Mr. Cui Liguu (Chairman), Dr. Lam Sek Kong, Dr. Meng Xingguo and Ms. Yim Ka Man, and one Executive Director, Mr. Yan Zhao.

The Remuneration Committee is established by the Board and shall be accountable to the Board. The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include determining/reviewing and making recommendations to the Board on the remuneration packages of Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. For details of its Terms of Reference, please refer to the Company's website (www.apstar.com) under the section headed "Corporate Governance" and it is also available on request from the Company's Investor Relations.

The details of remuneration of Directors and senior management during the year are disclosed in note 6, 7 and 31(c) of the consolidated financial statements.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of Executive Directors are also determined with reference to the Company's operation objective and development plan; the managerial organisation structure; the financial budget of the Company; the performance and expectation of the relevant person; and the supply and demand situation of the human resources market. The remuneration for the Executive Directors comprises basic salary, pensions and performance-related pay. The remuneration policy for Non-executive Directors and Independent Non-executive Directors is to ensure that Non-executive Directors and Independent Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the Non-Executive Directors and Independent Non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Directors and senior management have not been involved in deciding their own remuneration.

The Remuneration Committee held one meeting in 2025 to consider the relevant matters regarding/to review and make recommendation to the Board on the remuneration policy and the remuneration packages of the Directors and senior management. The following table shows the individual attendance of each member during their term of office in 2025.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

Name of the member of the Remuneration Committee	Number of committee meeting entitled to attend during the member's term of office in 2025	Number of meeting(s) attended [#]
--	---	--

Independent Non-executive Directors:

Cui Liguó (<i>Chairman</i>)	1	1
Lam Sek Kong	1	1
Meng Xingguo	1	1
Yim Ka Man	1	1

Executive Director:

Yan Zhao	1	1
----------	---	---

The works performed by the Remuneration Committee in 2025 are summarised as follows:

- reviewed the standard of directors' fees payable to Directors in 2025;
- reviewed the results of incentive scheme of the senior management for 2024; and
- reviewed remuneration proposal of senior management for 2025.

Note:

- [#] Including meeting attended by the member via telephone conferences.

BOARD COMMITTEES (Continued)

Nomination Committee

The Nomination Committee comprises five members, including four Independent Non-executive Directors of the Company, namely Dr. Lam Sek Kong (Chairman), Mr. Cui Ligu, Dr. Meng Xingguo and Ms. Yim Ka Man and one Executive Director, Mr. Yan Zhao.

The Nomination Committee is established by the Board and shall be accountable to the Board. Its duties are clearly set out in its written Terms of Reference and it is mainly responsible for making recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors in particular the Chairman and the President in accordance with its adopted nomination procedure, process and criteria. On receiving nomination notice for candidate of director, the Nomination Committee will review and approve assessment of the candidate before giving recommendation to the Board. The criteria of assessment include the qualification and experience of the candidate; the development need of the Company; the expected candidate's contribution to the Company's performance; the mutual expectations between the candidate and the Company; compliance with relevant rules and requirements; board diversity policy and the candidate's capability of making independent decision in the Board.

For details of its Terms of Reference, please refer to the Company's website (www.apstar.com) under the section headed "Corporate Governance" and it is also available on request from the Company's Investor Relations.

The Nomination Committee held one meeting in 2025 and the following table shows the individual attendance of each member during their term of office in 2025:

Name of the member of the Nomination Committee	Number of committee meeting entitled to attend during the member's term of office in 2025	Number of meeting(s) attended[#]
Independent Non-executive Directors:		
Lam Sek Kong (<i>Chairman</i>)	1	1
Cui Ligu	1	1
Meng Xingguo	1	1
Yim Ka Man	1	1
Executive Director:		
Yan Zhao	1	1

Note:

[#] Including meetings attended by the member via telephone conferences.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES (Continued)

Nomination Committee (Continued)

The works performed by the Nomination Committee in 2025 are summarised as follows:

- reviewed the re-election of directors in accordance with the Bye-Laws of the Company;
- reviewed the independence of the Independent Non-Executive Directors; and
- reviewed the appointment of senior management.

Audit and Risk Management Committee

The Audit and Risk Management Committee comprises four Independent Non-executive Directors of the Company, namely Ms. Yim Ka Man (Chairman), Dr. Lam Sek Kong, Mr. Cui Ligu and Dr. Meng Xingguo.

The Audit and Risk Management Committee is established by the Board and shall be accountable to the Board. Its members shall be appointed by the Board from amongst the Non-executive Directors of the Company who are independent from the management of the Company and are free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgement. Its duties are clearly set out in its written Terms of Reference. For details, please refer to its Terms of Reference, which is contained in the Company's website (www.apstar.com) under the section headed "Corporate Governance", and is also available on request from the Company's Investor Relations.

The Audit and Risk Management Committee held two meetings in 2025 and the following table shows the individual attendance of each member in 2025:

<u>Name of the member of the Audit and Risk Management Committee</u>	<u>Number of committee meeting entitled to attend during the member's term of office in 2025</u>	<u>Number of meeting(s) attended[#]</u>
Independent Non-executive Directors:		
Yim Ka Man (<i>Chairman</i>)	2	2
Lam Sek Kong	2	2
Cui Ligu	2	2
Meng Xingguo	2	2

Note:

[#] Including meetings attended by the member via telephone conferences.

BOARD COMMITTEES (Continued)

Audit and Risk Management Committee (Continued)

The works performed by the Audit and Risk Management Committee in 2025 are summarised as follows:

- approved the remuneration and terms of engagement of the external auditor in respect of audit and non-audit services;
- reviewed the independence and objectivity of external auditors and the effectiveness of the audit process through discussion with the external auditors as to the nature and scope of the audit and reporting obligation;
- monitored integrity of and reviewed significant financial reporting judgements of the half-year and annual financial statements of the Company;
- reviewed the continuing connected transactions of the Company;
- reviewed the Company's statement on financial controls, internal control systems and risk management systems;
- approved the internal audit plan and reviewed the internal audit team's work progress and findings; and
- reviewed the Company's report on the management of environmental, social and corporate governance matters.

AUDITORS' REMUNERATION

The following information summarises the fees charged and the nature of the audit and non-audit services provided by the Company's external auditors to the Group during 2025:

	HK\$
Audit of the Group's financial statements (including interim review) and review of the Group's continuing connected transactions	877,300

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the Code Provision A.2.1 of the CG Code.

During the year ended 31 December 2025, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Code of Conduct and Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND INTERNAL CONTROL

Financial Reporting

The management reports to the Board the Group's financial situations on a regular basis, and this reporting regime extends to the annual and interim results announcement of the Company, thereby enabling the Board from time to time to have a continued, balanced, clear and understandable assessment of the Group's situations for determining strategy and fulfilling relevant compliance requirements.

The Board acknowledges that it is the Board's responsibility for preparing the financial statements of the Company. As at 31 December 2025, the Directors of the Board were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Company's Auditor

The auditor's independence has been reviewed by the Audit and Risk Management Committee periodically. In each committee meeting, committee members can discuss with the auditor, in the absence of management such matters relating to any issues arising from the audit and any other matters the auditor may wish to raise. For the responsibilities of the Company's Auditor in respect of auditing the Company's consolidated financial statements, please refer to the section headed "Independent Auditor's Report" of this annual report.

Internal Controls and Risk Management

The Board acknowledges its responsibility to ensure the Company maintains sound and effective internal controls and risk management, whereby safeguarding its shareholders' investment and the Company's assets, and confirms that the Group's risk management and internal control systems are appropriate and effective. The risk management system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

To facilitate and support the Board and the Audit and Risk Management Committee in discharging their duties, the Internal Control and Risk Management Committee ("ICRMC") has been established and delegated to design, implement and monitor the Group's internal control and risk management systems. ICRMC comprises the executive directors, the senior management members of the Group, the Company Secretary and the head of Risk Management related department. Furthermore, the Company has established an internal audit function, performed by the Internal Audit Team which carries out independent reviews of any operation processes and controls, and its key findings and recommendations for improvement are regularly reported to the Audit and Risk Management Committee. The external auditors also report on any control issues identified in the course of their audit or review work to the Audit and Risk Management Committee.

ACCOUNTABILITY AND INTERNAL CONTROL (Continued)

Internal Controls and Risk Management (Continued)

The Group has established and maintained its effective internal control systems in accordance with Section D.2 of Part 2 of the CG Code and based on the framework as proposed by The Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). The Group’s risk management and internal control systems mainly include: the process for identifying, evaluating and managing significant risks (including climate-related and environmental, social and governance (“ESG”) risks); and the procedures for ensuring timely, accurate and complete disclosure of inside information and other information required to be disclosed (including information necessary to prevent the occurrence of a false market in the Company’s securities).

The Board oversees the Group’s risk management and internal control systems on an ongoing basis ensuring that a review of the effectiveness of the Group’s internal control and risk management systems to be conducted periodically (at least once annually) and reports to shareholders in its Corporate Governance Report. The review(s) was conducted with reference to the COSO Framework covering, among others, the following aspects of the Group’s operation:

- (1) all material controls, including financial, operational and compliance controls;
- (2) the changes on the risk environment, the nature and extent of significant risks (including climate-related and environmental, social and governance risks) and the Group’s ability to respond to such changes;
- (3) the scope and quality of the Group’s ongoing monitoring of risks and of the internal control systems;
- (4) the work of its internal audit function and other applicable assurance;
- (5) the reporting channels of internal control, internal audit and risk management function within the Group;
- (6) any significant failings or weakness which have been identified during the period and the extent of which they have caused corporate governance concerns or material impact on the Group’s financial performance; and
- (7) the effectiveness of the Group’s processes for financial reporting and regulatory compliances.

The review of the internal control and risk management systems is conducted by the ICRMC and the Internal Audit Team at least once a year, the review process includes: independent testing and evaluation of selected internal controls by the Internal Audit Team, and risk assessment and reporting by the management, the ICRMC and various business units; the external auditors also report to the Audit and Risk Management Committee on their observations on the effectiveness of the systems in the course of their audit work.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND INTERNAL CONTROL (Continued)

Internal Controls and Risk Management (Continued)

In 2025, the annual review of the effectiveness of the system of internal control and risk management of the Group was conducted by the ICRMC. The review covers all material controls, including financial, operational and compliance controls and risk management functions. Each business unit has provided identification and assessment opinions on the risks faced by the Group in all areas (including environmental, social and governance risks), enabling ICRMC to identify the significant risks facing the Group and the risk control action plan. In addition, the Internal Audit Team has performed testing and evaluation of whether the selected internal controls and risk management systems were effective. The results of the ICRMC's review and the internal audit have been reviewed by the Company's Audit and Risk Management Committee and reported to the Board of Directors of the Company.

The Board considers the Group's risk management and internal control systems to be effective based on confirmations provided by the management, the ICRMC, the Internal Audit Team and the external auditors, and has been reviewed and supported by the Audit and Risk Management Committee.

For the year ended 31 December 2025, there were no material changes to the Group's risk management and internal control systems, and no significant incidents of control failures or weaknesses (or any previously reported but unresolved matters) were identified or reported in respect of financial reporting, operation and compliance, and therefore no remedial measures are required. The management, the ICRMC and the Internal Audit Team will continue to monitor and review regularly the effectiveness and appropriateness of the Group's risk management and internal control systems, as well as the effective data from the aforementioned systems. They will take action from time to time whenever there is any weakness in the financial reporting process, and perform periodical review on various corporate governance and internal control policies and related procedures, including but not limited to: corporate governance code, whistleblower protection, employee trainings, director trainings, shareholders' rights or investor relations, etc.

The Board is of the view that the internal control and risk management system of the Group has remained effective in 2025.

Key risk exposure of the Group are included in the "Management Discussion and Analysis" set out on pages 10 to 20 of this Annual Report.

Inside Information

The Group is fully aware of the obligation in dissemination and disclosure of inside information in accordance with the relevant laws and regulations. The Group formulated an inside information policy and published on the Group's website, so as to ensure an equal, timely and effective disclosure of inside information to the public in accordance with the applicable laws and regulations.

ACCOUNTABILITY AND INTERNAL CONTROL (Continued)

Whistleblower Protection

A whistleblower protection policy and Complaints Handling Procedure have been established and published on the Group's website in accordance with Code Provisions D.2.6 and D.3.7(a) of the CG Code to deal with employees' complaints or concerns on any suspected fraudulent, dishonest business conduct and any acts relating to violation of applicable laws and regulations as stipulated in the Group's Code of Ethical Business Conduct. The Group will keep the whistleblowers' personal information strictly confidential to protect his/her rights and carefully verify and investigate issues reported.

Anti-Corruption

The Group has also in place the Code of Ethical Business Conduct to safeguard against corruption and bribery within the Group. The Group as mentioned above has the complaint handling procedure available for employees of the Group to follow to report any suspected corruption and bribery. Employees can also make anonymous reports to the Chairman of Audit and Risk Management Committee, which is responsible for investigating the reported incidents and taking appropriate measures. The Group continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

Company Secretary

The Company Secretary is an employee of the Group and has confirmed that she has taken no less than 15 hours of the relevant professional training for the year ended 31 December 2025 in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHT AND INVESTOR RELATIONS

Shareholders are provided with contact details of the Company, such as telephone hotline, fax number, email address and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these channels. In addition, shareholders can contact Tricor Investor Services Limited, the Hong Kong Branch Share Registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

Pursuant to the Code Provisions, the chairman of the Board should attend the annual general meeting ("AGM") and arrange for the respective chairman of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee (as appropriate) or in the absence of the chairman of such committees, other member of the committee to be available to answer questions at the AGM. The chairman of the independent board committee (if applicable) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval. The Company would arrange for the notice to shareholders to be sent in compliance with Bye-Law 59(1) and the requirement of Listing Rules. The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and then answer any questions from shareholders regarding voting by way of a poll.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHT AND INVESTOR RELATIONS (Continued)

According to Bye-law 58 of the Bye-laws of the Company, the Board may whenever it thinks fit call special general meetings, and members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda.

Shareholders' Communication Policy

The Company has in place a Shareholders and Investors Communication Policy. The policy aims at promoting effective communication with shareholders and other stakeholders, encouraging shareholders to engage actively with the Company and enabling shareholders to exercise their rights as shareholders effectively.

During the year, according to the Shareholders and Investors Communications Policy, the Company provides ready, equal and timely access and understandable information about the Company to shareholders and investors. The Board welcomes shareholders and investors for their comments and/or enquiries about the Company. In the AGM of the Company, it provides opportunity for the shareholders to communicate directly with the Directors. The Chairman of the Company and the Board Members of the Company will attend the AGM to answer shareholders' questions. The auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. The Board reviewed the implementation and effectiveness of the Shareholders and Investors Communication Policy and the results were satisfactory.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. Depending on the financial conditions of the Company, business prospects, future earnings, cashflow, cost of capital and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

Constitutional Documents

In 2025, there was no change in the Company's constitutional documents.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Board has overall responsibility for the Group's environmental, social and governance strategies and has established corresponding policies, so that the Group maintains environmental protection practices and good social responsibility for the Group's long-term success and sustainability.

In human resources, as illustrated in the table "Key Human Resources Parameters" set forth in the Environmental, Social and Governance Report of this Annual Report, the Group has a fairly diversified recruitment profile in its employees such that the talented and appropriate people can join the Group to fuel its development and success. This is attributable to the Open Employment Policy of the Group. During the period, the Group continued to encourage necessary training and induction programmes to those employees who needed for their job enrichment and development. The Group has also strictly complied with the relevant laws and regulation in respect of the employments in Hong Kong or other jurisdictions.

The Group has great importance to the protection of personal data, and its privacy policy has been established and published on the Group's website.

The Group has achieved measurable improvements in its environmental protection practices by integrating sustainability into its satellite operations. Beyond maintaining strict controls on hazardous and non-hazardous waste production, the Group actively monitors electromagnetic radiation from its Earth Stations to ensure environmental safety for the surrounding community. In alignment with the new 2025 climate disclosure requirements, the Group has expanded its environmental focus to include high-level energy efficiency management and the tracking of Scope 1 and Scope 2 greenhouse gas emissions. These efforts are part of a broader commitment to mitigating the Group's carbon footprint and enhancing the operational resilience of its critical infrastructure against climate-related physical risks, ensuring long-term sustainability for both the Group and its stakeholders.

Details of the Group's environmental, social and corporate governance management are set out in the Environmental, Social and Governance Report of this Annual Report.

By order of the Board

Sun Jing
Chairman

Hong Kong, 19 March 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY

The Group is highly concerned about environmental protection, social responsibility and corporate governance. The Group primarily adopts the principles and basis of Environmental, Social and Governance Reporting Code (the “ESG code”) set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as its standards, with an aim to establish a sound environmental, social and governance (“ESG”) structure.

The preparation, presentation and contents of this report follow the principles of “Materiality”, “Quantitative”, “Balance” and “Consistency” set out in the Code.

Materiality

In order to determine the content of the environmental, social and governance report, the Group has invited stakeholders to participate and conduct a materiality assessment. The Group has identified issues related to environmental, social and governance, collected and reviewed the opinions of internal management and various stakeholders, assessed the relevance and importance of these issues, and prepared environmental, social and governance reports. This report covers a series of major environmental, social and governance issues of concern to the Group’s stakeholders.

Quantitative

This report discloses quantitative environmental and social key performance indicators in its environmental, social and governance report. In order to allow stakeholders to fully understand the Group’s ESG performance, the Group has added the supplemental explanation for the standards, methods, references and conversion factors used to calculate key performance indicators.

Balance

The Report shall provide an unbiased picture of the Group’s performance in environmental, social, and governance aspects, and avoid selections, omissions, or presentation formats that may inappropriately mislead a reader’s decisions or judgements.

Consistency

The Group uses consistent reporting and calculation methods within reasonable limits to facilitate the comparability of environmental, social and governance performance between years. If there is any change in the method, the Group will report and explain it in the corresponding sections.

Information relating to the corporate governance of the Group is separately set out in the Corporate Governance Report of this Annual Report. This report provides the relevant efforts and work in environmental, social and sustainability parameters which are integrated in the strategic development and operation of the Group. This report is reviewed and approved by the Board on 19 March 2026.

1. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY (Continued)

1.1. Scope of Report

The scope of this report includes the environmental and social performance of the main operations of the Group in Hong Kong. All the information in the report reflects the performance of the Group in environmental management and social responsibility from 1 January 2025 to 31 December 2025 (the “Reporting Period” or the “Year”).

Unless otherwise specified, the statistical methods or KPIs disclosed in this ESG Report are consistent with those in the last year’s ESG Report.

2. BOARD STATEMENT

The Board is responsible for overseeing the establishment of the Group’s ESG vision, objectives and the implementation of its short-term, medium-term and long-term strategies and also committed to identifying, evaluating and prioritizing ESG issues in this episode, and considering related risks and opportunities, in order to achieve the Group’s objectives of operation in compliance and building sustainable development capabilities. The Board reviews and evaluates ESG matters related to the Group on an annual basis. The Group will consider the possibility of including climate-related factors in the remuneration packages of senior management and key personnel in the future, and will consider ESG and climate risk management when evaluating Board performance.

In order to strengthen ESG management and governance, the Group’s Internal Control and Risk Management Committee (“ICRMC”), whose members include executive directors, senior management, company secretary and head of the risk management related department, will be directly responsible for the work of ESG and its related matters, assess internal operations to identify material ESG issues, including climate-related risks, and to prioritize ESG issues through materiality assessments. They will also review and follow up the progress of environmental objectives, and report annually to the Audit and Risk Management Committee. The Audit and Risk Management Committee will report and provide opinions to the Board of Directors independently and objectively.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. BOARD STATEMENT (Continued)

2.1. Stakeholder Engagement

By understanding stakeholders' expectations and gauging their priorities, the Group is better equipped to address their concerns, review its business approach, and ultimately, update or formulate better sustainability policies and strategies.

The Group maintains active communications with internal and external stakeholders through various communication channels. The following table lists the engagement of different stakeholder groups during the Reporting Period.

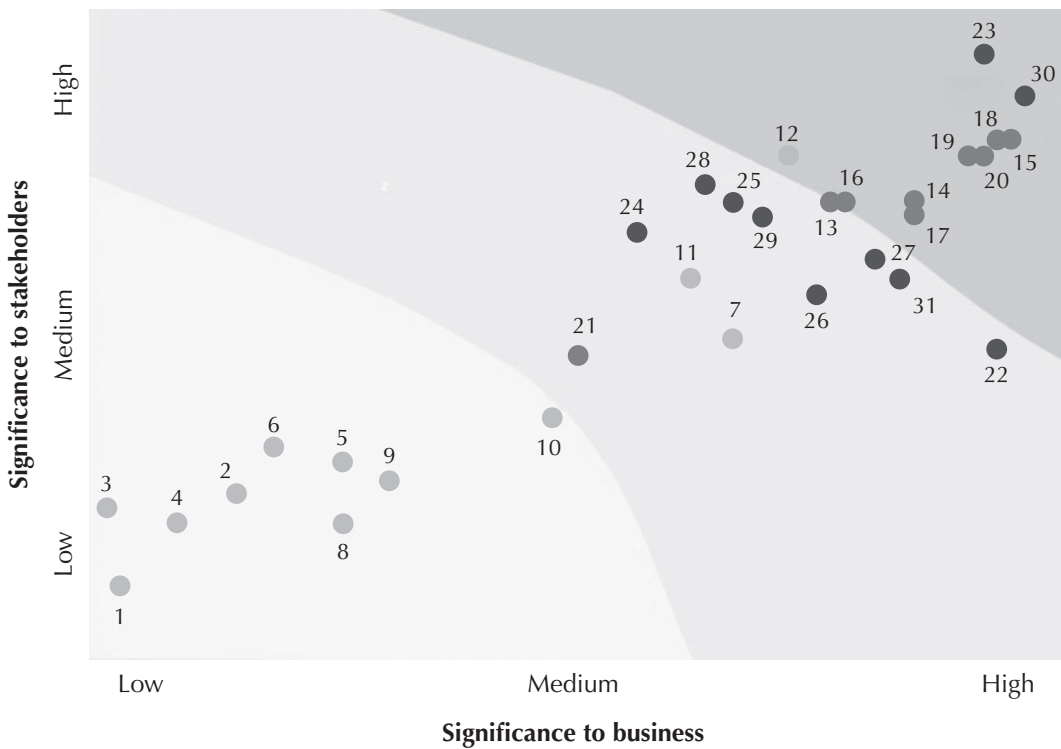
Stakeholder Group	Communication channels
Shareholder and investor	<ul style="list-style-type: none">• Press releases• Annual/interim reports• Company webpage• Circulars• General meetings and teleconferences
Employee	<ul style="list-style-type: none">• Meetings and teleconferences• Performance assessment• Training programmes• Company events
Customer	<ul style="list-style-type: none">• Company webpage• Satisfaction surveys• Meetings and teleconferences• Correspondences
Supplier	<ul style="list-style-type: none">• Tender meetings• Supplier assessment• Correspondences• Meetings and teleconferences
Community	<ul style="list-style-type: none">• Charity events• Correspondences
Media	<ul style="list-style-type: none">• Press releases• Meetings and teleconferences
Regulatory Body	<ul style="list-style-type: none">• Compliance/non-compliance reports• Certifications/licensing• Meetings and teleconferences• Site visits

2. BOARD STATEMENT (Continued)

2.2. Materiality Assessment

In order to ensure that the Group's ESG strategy meets the expectations of stakeholders, the Group has identified environmental, social and governance issues based on the Group's development strategy and industry characteristics through consultation with independent consultant. A total of 31 important issues have been identified. During the Reporting Period, internal and external stakeholders (including directors, management, employees, customers and suppliers) were invited to fill in a questionnaire to collect their perceived importance to the 31 identified material issues, conduct analysis and ranking to identify and assess ESG issues that are material to the Group and its stakeholders. The evaluation results of material ESG issues are checked by the ICRMC and reviewed by the Board of Directors. The table below shows the top 11 material ESG issues identified based on the survey results.

Materiality Matrix



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2. BOARD STATEMENT (Continued)

2.2. Materiality Assessment (Continued)

Environmental	Employment	Operations & Community
1. Air Emissions	13. Labor Rights	22. Customer Satisfaction
2. Decarbonization	14. Labor Relations	23. Customer Service Quality and Complaint Handling
3. Ecosystems	15. Employee Retention	24. Customer Health and Safety
4. Nature-related Risk & Opportunity Management	16. Diversity and Equal Opportunity	25. Marketing and Labeling Compliance
5. Circular Economy	17. Non-discrimination	26. Intellectual Property Rights
6. Environmental Data Management	18. Occupational Health and Safety	27. Customer Privacy and Data Protection
7. Energy Efficiency	19. Employee Training	28. Responsible Supply Chain Management
8. Water and Wastewater Management	20. Employee Development	29. Suppliers Fair Operating Practices
9. Material Use	21. Prevention of Child and Forced Labor	30. Business Ethics
10. Waste Management		31. Community Investment
11. Environmental Compliance		
12. Radiation Management		

Material Issues

-
- 12 Radiation Management
 - 13 Labor Rights
 - 14 Labor Relations
 - 15 Employee Retention
 - 16 Diversity and Equal Opportunity
 - 17 Non-discrimination
 - 18 Occupational Health and Safety
 - 19 Employee Training
 - 20 Employee Development
 - 23 Customer Service Quality and Complaint Handling
 - 30 Business Ethics

2. BOARD STATEMENT (Continued)

2.3. Risk Management

To ensure long-term sustainable value for the Company and its stakeholders, the Group adopts a comprehensive and balanced strategy that emphasizes both risk management and business returns. The Board and management integrate sound risk practices into business decisions and operations. At the governance level, the Board is responsible for overall risk monitoring and authorizes the ICRMC to review the Enterprise Risk Management (ERM) framework and risk profile based on COSO standards, ensuring the effectiveness of identification, assessment, response, monitoring, and review processes. Meanwhile, the ICRMC ensures that all major risks are controlled within the established risk appetite of the Company.

In operational implementation, different departments work together to implement management processes and strengthen cross-departmental cooperation, covering key risks affecting business and the supply chain, such as energy shortages, natural disasters, and water resource utilization. Addressing the severe challenges of ESG and climate-related issues, the Group further refers to the TCFD framework to identify risks and opportunities. Through scenario simulation and financial impact analysis, specific contingency strategies are formulated, and assessment results are reported to the Board annually to continuously strengthen corporate resilience through institutionalized management.

ESG and Climate Risk and Opportunity Identification Process:

The process consists of four core phases: first is Risk Identification & Collection, gathering domestic and international research reports along with industry-specific risks and opportunities. This is followed by Risk Assessment & Screening, where relevant issues are filtered based on climate and nature trends as well as internal operational changes. The third phase is Prioritization, which involves creating a risk/opportunity matrix to rank issues based on “Impact, Probability, and Time of Occurrence.” The final phase is Strategy Analysis & Action, where response strategies are formulated for major risks and opportunities. The Group implements corresponding response actions, continuously monitors management performance, and ensures significant climate-related issues are effectively assessed and managed.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. SOCIAL INDICATOR

3.1. Employment

The Group values the employees as one of the important key-success factors for its long-term development. The Group adopts an Open Employment Policy based on which we recruit the most suitable and capable staff for their posts regardless of gender, race, nationality and religion. The Group is committed to building a diverse and inclusive workforce so that all employees can enjoy equal opportunities and fully realize their potential. In terms of remuneration and benefits, in order to retain elites in the industry, the Group provides employees with competitive remuneration and incentives and bonuses for outstanding employees. The remuneration packages of employees are determined based on their qualifications, positions and seniority and are reviewed annually. The Group conducts performance evaluations on a regular basis and the results of the evaluations are used as a basis for assessing training needs and formulating other human resources policies such as promotion, transfer and determination of remuneration. We also provide discretionary bonuses, allowances and insurance to our employees, including medical insurance, employees' compensation insurance and personal accident insurance. For resigned employees, we pay unsettled wages in accordance with relevant laws and regulations. In addition, our human resources team discusses with employees who leave to determine the reasons for their departure and opportunities for retention.

83% of the employees employed by the Group are located in Hong Kong. The Group strictly complies with the requirements of the employment legislations in Hong Kong such as the Employment Ordinance (Cap. 57), the Occupational Safety and Health Ordinance (Cap. 509), the Employees' Compensation Ordinance (Cap. 282) and the Minimum Wage Ordinance (Cap. 608), to provide comprehensive protection and benefits to the employees, and does not contravene the relevant rules and regulations.

3. SOCIAL INDICATOR (Continued)

3.1. Employment (Continued)

As at 31 December 2025, the Group had 124 employees. The employees by different categories are shown in the following table:

Category	2025		2024	
	(No.)	(%)	(No.)	(%)
1. Employees (Nationality/Region)				
Hong Kong SAR	103	83.1%	102	83.6%
Mainland China	5	4.0%	5	4.1%
Others	16	12.9%	15	12.3%
Total	124	100%	122	100%
2. Employees (Gender)				
Male	90	72.6%	93	76.2%
Female	34	27.4%	29	23.8%
Total	124	100%	122	100%
3. Employment Type				
Full-time	124	100%	122	100%
Temporary	0	0%	0	0%
Total	124	100%	122	100%
4. Employees (Age)				
<30	24	19.3%	21	17.2%
30-50	74	59.7%	76	62.3%
>50	26	21.0%	25	20.5%
Total	124	100%	122	100%
5. Employee Turnover No. & Rate				
	28	22.6%	12	10.0%
By Gender:				
Male	21	23.3%	4	4.3%
Female	7	20.6%	8	27.6%
By Age:				
<30	4	16.7%	2	9.5%
30-50	19	25.7%	4	5.3%
>50	5	19.2%	6	24.0%
By Region:				
Hong Kong SAR	12	11.7%	12	11.8%
Mainland China	1	20.0%	0	0%
Others	15	93.8%	0	0%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. SOCIAL INDICATOR (Continued)

3.2. Health and Safety

The Group's policy is to create a health and safe working environment to all employees. The Group believes that a health and safe working environment is critically important for the long-term development of the employment team and is one of the important success factors for the future and sustainable business growth of the Group. During the Year, to protect the health of employees, the Group continued to provide surgical masks and testing supplies to employees in need. Adhering to the people-oriented approach, the Group actively implements safety measures in the workplace. In order to enhance employees' occupational health and safety awareness in the office, fire escape drills are held regularly and fire escape maps are posted in the office. At the same time, posters issued by the Hong Kong Occupational Safety and Health Council are posted in conspicuous positions in the office area, providing suggestions on how to manage work stress, correct use of computers, and stretching exercises. General safety education is provided to new employees, including company safety regulations and emergency measures.

The Group conforms to the compliance requirements as stipulated in the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong as well as other relevant rules and regulations in other applicable jurisdictions. To enhance the Group's care to the employees and to encourage employees' awareness on healthiness, the Group provides annual body check-up benefit to the employees.

No work-related fatalities occurred between 2023 and 2025.

	2025	2024	2023
Number of reportable work-related injuries	0	0	0
Work-related injury rate (%)	0	0	0
Lost working days	0	0	0
Lost working day rate (%)	0	0	0

3. SOCIAL INDICATOR (Continued)

3.3. Development and Training

The Group attaches great importance to internal and external training needs of employees, formulates annual training plans every year, provides various internal and external training for employees, and improves the skills, knowledge and professional qualifications required by employees for work. All new recruits are expected to attend induction training, which aims to guide them to understand the Group's core values, organisation structure, business goals, relevant policies, as well as code of conduct. As for technicians and operators that require specific professional expertise, the Group ensures that training is arranged for relevant products. A portion of these product training is directly conducted by the suppliers who ensure that the Group's technical team is equipped with the latest knowledge and skills to effectively operate and properly maintain the equipment. These skills also serve to help address customers' enquiries promptly and efficiently.

The Group provides time and undertakes training expenses to encourage employees to participate in external training programs related to their individual work areas to enhance their professional skills.

Development and Training	2025		2024			
	(No.)	(%)	(No.)	(%)		
Number and percentage of trained employees (%)	106	85.5%	101	82.8%		
Trained Employees by Category	2025		2024			
	(No.)	(% of Category) (% of Total Trained)	(No.)	(% of Category) (% of Total Trained)		
By Gender						
Male	79	87.8%	74.5%	73	78.5%	72.3%
Female	27	79.4%	25.5%	28	96.6%	27.7%
By Employee Category						
Management	5	100%	4.7%	7	87.5%	6.9%
Middle Level	9	100%	8.5%	9	100%	8.9%
General Staff	92	83.6%	86.8%	85	81.0%	84.2%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. SOCIAL INDICATOR (Continued)

3.3. Development and Training (Continued)

Training Hours	2025	2024
Total training hours (Hours)	1,501	1,563
Average training hours per employee (Hours)	12.1	12.8
By Gender		
Male	12.3	10.7
Female	19.5	19.6
By Employee Category		
Management	26.8	11.8
Middle Level	9.8	26.7
General Staff	13.9	11.7

3.4. Labour Standards

The Group prohibits employment of child, forced or compulsory labour. To establish the employment relationship with the Group, all the labour must make the declaration on the reality, accuracy of their personal data and provide the supporting documents for verification. The Group ensures to employ the labour in a legitimacy ages. During the Reporting Period, the Group did not employ child labour. All employees have the right to resign in accordance with the employment contracts.

The Group observes all relevant rules and regulations in relation to employment including Employment Ordinance (Cap. 57), Mandatory Provident Fund Schemes Ordinance (Cap. 485) in Hong Kong and other applicable jurisdictions. The Employment Ordinance is the main piece of legislation governing conditions of employment in Hong Kong.

3.5. Supply Chain Management

The Group follows the Fair Sourcing Policy, and complies with all relevant rules and regulations, and advocates the principle of practicing thrift and maximizing the Group's interests in its business activities. Any procurement transaction must go through approval procedures and comply with internal control procedures, and it is strictly prohibited to provide benefits directly or indirectly to the outside without fulfilling approval procedures and obtaining permission. The Group implements effective internal control and risk management systems as well as whistleblower protection policies to ensure the effectiveness and efficiency of operations, eliminate all corruption acts and abide by regulations. The Group encourages all employees to report business irregularities and establishes clear reporting channels and protection policies for whistleblowers who raise concerns or complaints, so that whistleblowers do not have to worry about retaliation or ill-treatment.

3. SOCIAL INDICATOR (Continued)

3.5. Supply Chain Management (Continued)

The Group works closely with various partners in the supply chain to select suppliers and register them in the qualified supplier list according to technical requirements and considering certain criteria including reputation, experience, financial status, cost-effectiveness of services or goods, delivery performance, after-sales support and environmental factors. In order to ensure effective management of suppliers, the Group also conducts regular review and evaluation of recognized suppliers in accordance with established procedures presided over by its risk management related department, and encourages the purchase of services and goods from recognized suppliers to strive to ensure the provision of high-quality services/products to customers.

The Group will give priority to suppliers who formulate corporate green policies for their products to reduce waste and protect the environment, and give priority to suppliers who comply with national, regional and industry environmental standards, follow internationally recognized standards and have relevant energy management system, environmental management system and social risk management certification.

In addition, the Group is committed to choosing environmentally friendly products and services when purchasing. For example, the Group is more willing to use energy-saving or environmentally friendly products made of recyclable materials (such as reusable refills and recycled paper). The Group also encourages employees to pay attention to product expiration dates and use products purchased earlier to avoid unnecessary waste. In addition, in order to reduce the carbon footprint, the Group tends to choose local suppliers or suppliers closer to the Company in terms of geographical location, so as to reduce carbon emissions from transportation and support the local economy.

During the Reporting Period, the Group cooperated with 782 suppliers (2024: 722 suppliers), and the percentage of their regional distribution is as follows:

Region	2025		2024	
	(No.)	(%)	(No.)	(%)
Hong Kong SAR	381	48.7%	380	52.6%
Mainland China	182	23.3%	164	22.7%
Others	219	28.0%	178	24.7%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. SOCIAL INDICATOR (Continued)

3.5. Supply Chain Management (Continued)

The Group provides induction briefings and training for all employees on a regular basis to meet the compliance requirements of the Prevention of Bribery Ordinance (Cap. 201). Procurement has been included in an effective internal control and risk management system and is subject to review by internal audit. If there are any connected transactions with connected persons, the Group will pay special attention to compliance and independent shareholder approval requirements in accordance with the provisions of Chapter 14A of the Listing Rules.

3.6. Product Responsibility

Since the nature of the Group's business mainly involves the development and provision of satellite transponder services, telecommunications services and broadcasting services, the Group's business is not truly involved in product delivery, but is limited to service provision. The Group deeply understands the importance of business confidentiality and is committed to protecting company and personal privacy, including trade secrets and customer data.

The Group complies with all compliance requirements specified in the applicable licenses (including Hong Kong's space station carrier license, outer space ordinance license, unified carrier license, non-local television program service license), as well as all relevant compliance requirements stipulated by the applicable jurisdictions of the target areas of the Group's services. The Group also maintains and respects all legal or qualified intellectual property rights registered or created by existing copyright owners. The Group understands the importance of service quality control. Therefore, we will continuously track customers' experience and opinions to ensure that the Group's services meet customer expectations. The Group welcomes any suggestions or complaints from customers. In handling customers' complaints about services, the Group has a set of appropriate and effective mechanisms and procedures. The Group's data center has ISO27001 certification to maintain service quality. Any complaints will be followed up fairly and timely. During the Reporting Period, there were no complaints from major customers on service quality. The privacy policy has been established and announced on the Group's website. All personal data will be properly handled, stored and archived in accordance with all applicable laws (including but not limited to the Personal Data (Privacy) Ordinance, Cap. 486). All personal data are only used for limited specific purposes and undertake confidentiality obligations; without personal consent, all personal data will be prohibited from being used for other purposes. During the Reporting Period, the Group was not aware of any serious violations of laws and regulations related to the infringement of personal privacy.

3. SOCIAL INDICATOR (Continued)

3.7. Anti-corruption

The Group adheres to the concept of anti-corruption, advocates honesty and business ethics including preventing corruption and bribery, avoiding conflicts of interest, consciously complying with laws and regulations and maintaining confidentiality, strictly prohibits all unethical business practices, does not allow direct or indirect provision of improper benefits to other institutions or individuals, and has implemented an effective internal control system, risk management system and whistleblower protection policy and complaint handling procedures, encouraging employees to report suspected business irregularities, and establishing clear reporting channels and protection policies for whistleblowers who raise concerns or complaints, so that whistleblowers do not have to worry about retaliation or ill-treatment.

The Group provides induction training to all directors and employees when they join the Group and provides subsequent regular training for them as needed. They are all provided with necessary information, including employee handbooks and relevant information packages, to let them know the Group's anti-corruption policy to combat any unethical business practices and the code of ethical business conduct (revised in 2018). In order to effectively avoid any conflict of interest, it is stipulated that directors and employees should consciously and timely declare actual and potential conflicts of interest to the chairman of the Audit and Risk Management Committee or the company secretary. The Group urges all directors and employees to comply with relevant laws and regulations, including the Prevention of Bribery Ordinance (Cap. 201) of Hong Kong or other relevant rules and regulations of applicable jurisdictions. The Group adopts an internal control and risk management framework that complies with COSO standards. The Group has implemented a "whistleblower protection policy" and "complaint handling procedures", which meet the compliance requirements of D.2.6 and D3.7(a) (code provisions) of the Corporate Governance Code of the Listing Rules. If improper behavior is reported, the investigation procedure will be conducted under the consultation of the Audit and Risk Management Committee. The Group may take appropriate disciplinary action against any confirmed violators on the grounds of improper behavior. In the current year, no complaints related to corruption were received.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

3. SOCIAL INDICATOR (Continued)

3.8. Community Investment

The Group pays attention to corporate social responsibility and considers it as a key factor for long-term and sustainable success. The Group encourages employees to care for local communities and activities and support government public policies by participating in various social activities (such as participating in local community activities and charitable donations).

The Group actively cooperates with the government's 5G business development plan and invests in building an additional earth station to avoid the impact on community residents using 5G products, which fully reflects the corporate social responsibility.

In 2025, the Group jointly organized the "Aerospace Day" activity with the theme "Into Aerospace" with China Aerospace International Holdings Ltd and China Travel Services (HK), organizing local youth, citizen representatives, and several Hong Kong District Council members to visit the Group's monitoring and command station for study, experiencing the close connection between aerospace technology and daily life. Going forward, the Group will inherit and develop the aerospace spirit, deeply promote the development of satellite communication business, and increase the promotion of aerospace culture and aerospace science popularization in Hong Kong, continuously fulfilling corporate social responsibility. The Group also encourages employees to participate in environmental protection activities and enhance environmental awareness within the Group.

The Group's community investment this year did not involve the use of resources.

4. ENVIRONMENTAL INDICATORS

4.1. Emissions

As a member of the community and the environment, the Group attaches importance to environmental protection and complies with relevant rules and regulations, especially in controlling, avoiding or reducing harmful or harmless emissions, waste products and the release of radiation, so as to achieve the long-term, harmonious and sustainable development of the Group.

4.1.1. Air Emissions

Since the core business of the Group is mainly related to satellite transponders, broadcasting and telecommunication services, the Group will not consume any unit of fuel, including gas or liquefied petroleum gas, in any case, resulting in nitrogen oxides or sulfur oxides emissions. The Group only owns and operates a limited number of gasoline-fueled cars. The Group will continue to work to further reduce the use of such cars and consider the use of electric vehicles to protect the environment. Air pollutant emissions during the Reporting Period remained at a stable level.

The air pollutant emission data during the Year are as follows:

Air Pollutant Emissions	2025	2024
Nitrogen oxides (NO _x) (g)	28,370	28,516
Sulfur oxides (SO _x) (g)	155	183
Particulate matter (PM) (g)	2,812	2,827

Note:

The calculation methods and conversion factors for air pollutants are based on the "Guideline for Reporting on Key Environmental Performance Indicators" published by the Hong Kong Stock Exchange.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. ENVIRONMENTAL INDICATORS (Continued)

4.1. Emissions (Continued)

4.1.2. Electromagnetic Radiation

In 2025, the Group's earth station used 18 satellite antennas for satellite telemetry, tracking and command (TT&C) and provided satellite communication services. Continues to operate APSTAR-5C, APSTAR-6C, APSTAR-6D, APSTAR-6E, APSTAR-7 and APSTAR-9. The Group is very concerned about the electromagnetic radiation of satellite antennas, regularly measures the intensity of electromagnetic radiation around the earth station, and ensures that the radiation amount is always lower than the limit values of Hong Kong local and national standards through measures such as quality control of satellite antenna construction projects and radiation control during the satellite antenna operation phase. Standards followed include ICNIRP Guidelines, GB8702-2014, etc., to ensure no adverse impact on the environment.

According to the 2025 Electromagnetic Radiation Measurement and Evaluation Report (the "Radiation Report") issued in January 2026: (a) all antennas comply with safety requirements, and (b) measurements at 58 test points in sensitive areas showed maximum power density values significantly lower than the standard limit of 0.4 W/m². The highest values were 0.0089 W/m² (instantaneous) and 0.0068 W/m² (average). The Group will ensure operational safety for employees and the community.

4.1.3. Waste Management

The business and operation of the Group remains the provision of services in satellite transponder, telecommunications and broadcasting services. Although the operation of the Group does not always generate hazardous waste, we also actively reduce the negative impact on it. In order to meet the expectations of business stakeholders and the Group's environmental goals, we ensure that strict safety measures are taken to dispose of hazardous materials (such as by engaging an approved third-party hazardous waste disposal company to dispose of hazardous materials) and ensure compliance with local regulations on the disposal of hazardous waste legislation. During the Year, the Group reviewed the hazardous waste treatment measures, and electromagnetic radiation has been fully explained in section 4.1 and proved to be normal to the environment by professional tests and reports.

4. ENVIRONMENTAL INDICATORS (Continued)

4.1. Emissions (Continued)

4.1.3. Waste Management

During the Year, waste disposal was neither material nor risky to our business and the amount of non-hazardous waste was not material due to the nature of its business and operation. However, we are committed to avoiding this adverse impact on the environment. The non-hazardous waste generated by the office is collected by the cleaning company hired by the Group. The non-hazardous waste data for this year is shown as follows:

Non-hazardous Waste	2025	2024
Total non-hazardous waste (tonnes)	5.92	5.92
Intensity (tonnes/HK\$ million revenue)	0.01	0.01

Note:

Non-hazardous waste is estimated based on the daily amount of office waste.

4.2. Use of Resources

The Group values environmental protection and follows the principle of minimizing the use of natural resources. The Group actively reduces the use of natural resources in operations and supports the circular economy by converting unavoidable waste into resources.

4.2.1. Energy Efficiency

Electricity cost is a major item. The Group is committed to improving power efficiency to reduce costs and align with environmental policies. Effective measures include: controlling room temperature at 25°C, increasing daylight use, automatic lighting controls, reducing printing, and optimizing satellite tracking strategies to reduce motor work time.

During the Year, initiatives of efficient of electricity include:

- Control the room temperature at 25°C;
- Increase use of day-light in the interior design of office and communal areas;

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. ENVIRONMENTAL INDICATORS (Continued)

4.2. Use of Resources (Continued)

4.2.1. Energy Efficiency (Continued)

- Automatic switching off of unused lighting at office areas or communal areas;
- Reduction of printing;
- RF equipment including HPA, up- and down-convertors are switched off when idle;
- Some of the HPAs previously installed in RF rooms are changed into ODUs and installed in antenna Hubs to minimize the feeder-link loss;
- Based on actual business needs, some high-power amplifiers were replaced with low-power amplifiers, which reduced daily operating power consumption;
- Optimized the KA 13m antenna tracking strategy, significantly reducing the working time of the drive motor.

Energy Consumption	2025	2024
Direct energy consumption (kWh)	111,653	98,745
Indirect energy consumption (kWh)	10,755,605	9,498,520
Total energy consumption (kWh)	10,867,258	9,597,265
Intensity (kWh/HK\$ million revenue)	14,705.36	12,225.82

Note:

The calculation method and conversion factor were adopted from the “Guidelines for Reporting Key Environmental Performance Indicators” published by the Hong Kong Stock Exchange.

During the Year, energy consumption remained at a stable level overall. In 2025, due to business reasons, energy consumption increased by 13% compared to 2024. Energy density also increased by 20% compared to 2024.

4. ENVIRONMENTAL INDICATORS (Continued)

4.2. Use of Resources (Continued)

4.2.2. Water Consumption

Although the Group's business does not involve production, water use mainly comes from office operations. We set up relevant environmental target which committed to saving water and reducing water consumption reasonably. The water consumption data during the Year are listed as follows:

Water Consumption	2025	2024
Water consumption (m ³)	990	1,073
Intensity (m ³ /HK\$ million revenue)	1.34	1.37

Note:

Water consumption is calculated based on actual water consumption.

In 2025, water consumption decreased by 8% due to water-saving measures. Water consumption intensity also decreased by 2% compared to 2024.

The Group has never encountered any difficulty in getting water supply for its use. Water was not required for the support of the Group's operation and business. Due to the nature of the Group's business, it does not generate or discharge any industrial wastewater, but the operation of the office will inevitably generate a small amount of domestic wastewater. Domestic sewage will be discharged into the municipal sewage pipe network for treatment. The Group implemented various water saving measures, including reducing water pressure to the lowest practicable level and maintaining and repairing water pipes in due course. The Group understands that raising employees' awareness of water conservation is crucial to the implementation of water conservation. Therefore, the Group continues to promote water conservation awareness and water conservation methods to employees, such as turning off the tap when there is no need to use water to reduce water wastage.

Due to the nature of the operation and business, the water consumption of the Group over the period has been kept at minimally low level. Initiatives of water efficiency includes:

- Periodical reminders to all staff
- Timely maintenance and repairment of water pipes
- Slower water flow from pipes for normal use

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

4. ENVIRONMENTAL INDICATORS (Continued)

4.3. The Environment and Natural Resources

The Group's business is the launch and operation of satellite at the geostationary orbital slot for the provisions of transponders, telecommunication and broadcasting services. Therefore, the nature of business and operation of the Group does not rely on the excessive consumption of natural resources and suppliers. Nor does it precipitate any significant waste material or hazard to neighbours or environment. The activities, operation and business of Group does not cause any significant impacts on the environment. Due to the nature of our operations and business, the Group does not use packaging materials. However, the Group will continue to keep close monitoring three specific concerns as detailed below:

- i) In the event of a launch of satellite, it may cause a distress on the environment throughout the course of its launch trajectory. However, the launch of satellite is regulated with state license or permit and will be well covered with third-party liability insurance for any loss or damages to any third party as a result of the launch process.
- ii) The radiation emission of the satellite antennae erected and operated in the Satellite Earth Station of the Group may be hazardous to neighbor and environment. The Group is highly concerned on this hazard and conducts regular radiation emission measurements so as to monitor the radiation emission level of the antennae. As proven by the measurement results of the latest measurement report issued in January 2026, the surrounding regions of the Satellite Earth Station remain safe and environmentally normal for activities according to the Standards.
- iii) The efficient use of electricity of the Group should be the focal point of the future challenge. The management of the Group will make it as a prioritized item for action, not just for the environmentally friendly policy but also paring down the operation cost to a greater extent for a higher marginal profit value.

5. CLIMATE CHANGE

The Paris Agreement, reached at the 2015 United Nations Climate Change Conference (COP21), established internationally recognized guidelines and a grand blueprint for addressing the global climate crisis and reducing greenhouse gas emissions. Meanwhile, the Hong Kong Government has clearly articulated the “Hong Kong’s Climate Action Plan 2050,” pledging a strategic goal to achieve carbon neutrality by 2050 and striving to reduce total carbon emissions by half from 2005 levels before 2035. As a company deeply committed to environmental responsibility, we are keenly aware of our crucial role in the energy transition and are committed to implementing various emission reduction measures to ensure that the Group’s sustainable development progress resonates with national strategies and the global climate agenda.

The Group highly values the potential risks of climate change’s impact on its business and actively assesses climate-related operational risks. During the reporting period, after consulting with independent advisors, the Group identified climate-related risks that could potentially trigger operational disruptions.

5.1. Climate-related risks

The Group identified physical risks including severe risks from extreme weather events such as strong typhoons, more frequent rainfall and natural disasters. For satellite operators, the impact of extreme local weather is mainly the attenuation of satellite antenna signals caused by rainfall and the impact of strong winds on the performance and safety of satellite antennas. In order to ensure that satellite communications and measurement and control services can be carried out normally under heavy rainfall, the Group has left sufficient redundancy in the design of the ground system, and the signal transmission and reception capabilities can meet the minimum index requirements under heavy rainfall. The large-aperture antennas built locally by the Group all use high wind resistance antennas that can withstand wind speeds of 320 km/hour to ensure that the antennas can work normally under extreme weather conditions without potential safety hazards. In order to ensure that the satellites operated by the Group in orbit are safe and controllable in the event of extreme and unpredictable climate disasters, the Group has built a remote backup control center outside of the Hong Kong ground station to achieve remote control to avoid extremely unlikely adverse effects of catastrophic climate on satellite security.

For transition risks, the Group recognizes the business impacts of increasing emissions obligations. We expect regulators to continue to gradually increase emissions reporting responsibilities and content. We anticipate this will increase our compliance costs. We plan to formulate relevant policies to deal with the impacts of climate change on operations and services. The Group will continue to assess climate-related risks and opportunities and will publish them when relevant indicators become available.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

5. CLIMATE CHANGE (Continued)

5.1. Climate-related risks (Continued)

We will continue to assess our capital expenditures in addressing climate-related risks and opportunities and disclose them as relevant metrics become available. Based on the assessment, we expect that assets or business activities vulnerable to climate-related transition risks will be negligible.

5.2. Climate Scenario Analysis

Following TCFD and relevant international standards, the Group conducts in-depth assessments of the potential impacts of specific “transition risks” and “entity risks” on its global operations and supply chain under different greenhouse gas emission control and climate scenarios. The Group has identified short-term (0-1 year), medium-term (1-5 years), and long-term (5 years and above) climate change risks. The Group has developed mitigation and adaptation measures to address various risks. While transition risks present challenges, they also provide opportunities for the Group to adjust its strategies and actions and make positive improvements.

Regarding transition risk assessment, given that the “Carbon Pricing Scheme” has become a key policy for achieving the global net-zero target, the Group actively considers referencing the International Energy Agency’s (IEA) World Energy Outlook 2024 (WEO 2024). We use future carbon price forecasts under the “2050 Net-Zero Emissions Scenario (NZE)” and the “Standardized Policy Scenario (STEPS)” to analyze the potential impact on operating costs. The Group currently does not use carbon pricing in its decision-making but will explore the feasibility of implementing it in the future.

Regarding physical risks, the Group cites scientific data from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). Through the “Shared Socio-Economic Scenario (SSP)” including the low-emission scenarios (SSP1-2.6) and the extremely high-emission scenarios (SSP5-8.5), the Group systematically analyzes the physical threats posed by extreme weather events to the geographical locations of its global operations and suppliers.

5. CLIMATE CHANGE (Continued)

5.3. Metric and targets

Greenhouse gases

Due to the nature of our business and operations, our primary source of emissions is office operations. The direct source of the Group's greenhouse gas emissions is the combustion of fuel in vehicles, while indirect sources include purchased electricity, wastepaper disposal, wastewater treatment, and business travel. The Group has set relevant emission reduction targets to reduce greenhouse gas emissions from its operations. We are currently conducting a benchmarking assessment of emissions in Scope 3 and developing a transformation planning document, which will lay the foundation for our target setting. This aligns with the targets set by the Hong Kong SAR Government's goal of achieving carbon neutrality by 2050. Greenhouse gas emission data are shown below.

Scope	Description	2025	2024
1	Direct Emissions (kg CO ₂ e)	30,451	34,187
2	Energy Indirect Emissions (kg CO ₂ e)	3,979,574	3,704,423
3	Other Indirect Emissions (kg CO ₂ e)	78,585	63,368
	Total (kg CO ₂ e)	4,088,610	3,801,978
	Equivalent CO ₂ Emissions (kg CO ₂ e)/ revenue (HK\$ million)	5,532.62	4,843.28

Note:

The Group's greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Greenhouse gas emissions are calculated based on the Greenhouse Gas Accounting System: Corporate Accounting and Reporting Standards (2004) and the "Guidelines for Reporting Key Environmental Performance Indicators" issued by the Hong Kong Stock Exchange. For ease of reading and understanding, greenhouse gas emissions data are presented in carbon dioxide equivalent ("CO₂e"). Scope 1 Greenhouse Gases: Covers greenhouse gas emissions directly generated by the Company's operations, including fuel combustion in stationary equipment, fuel combustion in vehicles, and refrigerants in refrigeration and air conditioning equipment; Scope 2 Greenhouse Gases: Covers indirect greenhouse gas emissions associated with the Company's purchased electricity, with emission sources sourced from CLP Power International Limited using location-based calculation; Scope 3 Greenhouse Gases: Covers other indirect greenhouse gas emissions of the Company, including Category 5: Water Treatment and Waste Paper Disposal and Category 6: Employee Business Travel. Given that emissions from these categories are not material to overall operations, they are disclosed in aggregate.

The Group will continue to adhere to its existing and effective emission reduction measures, including improving private vehicle usage practices, ensuring that emissions are well controlled despite increased business volume. The Group does not currently disclose any industry-based indicators but will explore their applicability in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

6. HKEX ESG REPORTING CODE INDEX

ESG key performance indicators	Overview	Page number
A1 Emissions	General Disclosure	55
KPI A1.1	The types of emissions and respective emissions data.	55
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	56
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	57
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	57
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	57
A2 Use of Resources	General Disclosure	57
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	58
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	59
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	57
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	59
KPI A2.5	Total packaging material used for finished products, and, if applicable, with reference to per unit produced.	60
A3 The Environment and Natural Resources	General Disclosure	60
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	60

ESG key performance indicators	Overview	Page number
B1 Employment	General Disclosure	46
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	47
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	47
B2 Health and Safety	General Disclosure	48
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	48
KPI B2.2	Lost days due to work injury.	48
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	48
B3 Development and Training	General Disclosure	49
KPI B3.1	The percentage of employees trained by gender and employee category.	50
KPI B3.2	The average training hours completed per employee by gender and employee category.	50
B4 Labour Standards	General Disclosure	50
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	50
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	50
B5 Supply Chain Management	General Disclosure	50
KPI B5.1	Number of suppliers by geographical region.	51
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	51
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	51
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	51

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG key performance indicators	Overview	Page number
B6 Product Responsibility	General Disclosure	52
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	52
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	52
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	52
KPI B6.4	Description of quality assurance process and recall procedures.	52
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	52
B7 Anti-corruption	General Disclosure	53
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	53
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	53
KPI B7.3	Description of anti-corruption training provided to directors and staff.	53
B8 Community Investment	General Disclosure	54
KPI B8.1	Focus areas of contribution.	54
KPI B8.2	Resources contributed to the focus area.	54

INDEX OF CLIMATE-RELATED DISCLOSURES

Disclosure Reference	Overview	Page number
Governance		41
19	Governance	41
Strategy		
20	Climate-related risks and opportunities	62
21	Business model and value chain	62
22 & 23	Strategy and decision-making	62
24 & 25	Financial position, financial performance and cash flows	62
26	Climate resilience	62
Risk Management		45
27	Risk management	45
Metrics and Targets		
28 & 29	Greenhouse gas emissions	63
30	Climate-related transition risks	63
31	Climate-related physical risks	61
32	Climate-related opportunities	61
33	Capital deployment	61
34	Internal carbon pricing	61
35	Remuneration	41
36	Industry-specific metrics	63
37 to 40	Climate-related targets	63
41	Applicability of cross-industry metrics and industry-specific metrics	63

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES AND CHANGES

EXECUTIVE DIRECTORS

Mr. WANG Hongbin, aged 57, has been appointed as the Executive Director and President, the authorized representative of the Company since 30 March 2022. He is responsible for the overall operation and management of the Company. Mr. Wang received his MBA degree from Nankai University in business Administration in 2012. Mr. Wang has more than 30 years of experience in satellite communication industry. Mr. Wang is currently the chairman of APT Mobile Satcom Limited (“APT Mobile”), an associate of the Company. Mr. Wang is also currently a director of APT Satellite Company Limited, APT Datamatrix Limited and APT Satellite TV Development Limited, which are subsidiaries of the Company and the chairman of APT Satellite Communications (Shenzhen) Company Limited, a subsidiary of the Company. He is also a director of APT Satellite International Company Limited (“APT International”), the substantial shareholder of the Company.

Mr. YAN Zhao, aged 43, has been appointed as the Executive Director and Vice President, member of the Nomination Committee and the Remuneration Committee of the Company since 30 March 2022. Mr. Yan graduated from Harbin Engineering University in Corporate Management in 2007, with master’s degree of Management Science. Mr. Yan has more than 15 years of experience in satellite communication industry. Mr. Yan is currently the director of APT Mobile. Mr. Yan is a director of APT Satellite Company Limited, APT Datamatrix Limited, APT Satellite TV Development Limited and APT Satellite Communications (Shenzhen) Company Limited, which are subsidiaries of the Company. He is also a director of APT International, the substantial shareholder of the Company.

NON-EXECUTIVE DIRECTORS

Mr. SUN Jing, aged 53, has been appointed as a Non-executive Director and Chairman of the Company since 27 June 2023. Mr. Sun graduated from the Department of Aerospace Engineering and Mechanics at Harbin Institute of Technology with a Master's degree in General Mechanics in 1997. He then went on to graduate from the China Academy of Space Technology with a Ph.D. in Aircraft Design in 2008. Since 1997, Mr. Sun has worked at the China Academy of Space Technology, serving in various positions including, Director, Factory Head and General Manager. In September 2018, he was appointed as a Director and General Manager of the China Satellite Communications Company Limited ("China Satcom") (a corporation listed on the Shanghai Stock Exchange in China, Stock Code: 601698) and starting from May 2023, he serves as the Chairman of China Satcom. Mr. Sun has also been appointed as Director of APT Satellite Company Limited, which is a subsidiary of the Company and Director of APT International, the substantial shareholder of the Company.

Mr. LEONG Kah Fai Keith, aged 62, has been appointed as Non-Executive Director of the Company since 31 March 2024. Mr. Leong graduated from Singapore Institute of Management with a Bachelor Degree in Business Administration. Mr. Leong is currently the Managing Director for Enterprise, Singtel Singapore, overseeing sales, marketing, product development, and service delivery within the enterprise division. His leadership is pivotal in driving strategic direction and ensuring excellence in all aspects of the business. Prior to his current role, he was the Managing Partner at Business Excellence & Global Business within NCS (a subsidiary of Singapore Telecommunications Limited (Singtel) group), focusing on risk and governance, operations, and delivery. His leadership ensured compliance, operational efficiency, and high-quality practices across the board. His vast experience includes managing delivery teams and critical projects across the Asia Pacific region, significantly contributing to the stability and success of NCS and its clients. Before that, he was part of the Singtel EDMS team, where he played an instrumental role in transforming and growing the infrastructure business for Singtel, NCS, and Optus. His extensive experience in managing Enterprise Managed Services and outsourcing services has been pivotal in advancing the Government and Enterprise market spaces in Singapore and the Asia Pacific region. He brings with him over 30 years of experience in the IT sector across MNCs such as HP, Oracle, and Sun Microsystems where he held various senior leadership positions. In HP Singapore, he was the General Manager of Enterprise Services and Director of Sales for the global and strategic clients in Singapore. Mr. Leong's focus was to leverage HP's deep industry knowledge and global capabilities to help enterprise and government clients manage their IT Outsourcing Service's needs. Mr. Leong has also been appointed as Director of APT Satellite Company Limited, which is a subsidiary of the Company and Director of APT International, the substantial shareholder of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES AND CHANGES

NON-EXECUTIVE DIRECTORS (Continued)

Dr. YIN Yen-liang, aged 75, has been appointed as a Non-Executive Director of the Company since January 2003. Dr. Yin graduated with an MBA Degree from National Taiwan University in 1983 and received the Ph.D. Degree in Business Administration from National Chengchi University in 1987. He had been the President of the Ruentex Group, the holding company of one of the shareholders of APT International, since 1994. Dr. Yin is also a Director of APT Satellite Company Limited, which is a subsidiary of the Company. Dr. Yin is also a Director of APT International, the substantial shareholder of the Company.

Mr. FU Zhiheng, aged 56, was appointed as a Non-Executive Director of the Company with effect from 20 March 2012. Mr. Fu graduated from the Northwestern Polytechnic University, Xian, China, with a Bachelor of Engineering degree in 1991. He then obtained his Master of Business Administration degree from China University of Mining Technology (Beijing) in 2004. Mr. Fu is currently the President of China Great Wall Industry Corporation ("CGWIC") in charge of the daily operation and management. He has been working with CGWIC since 1993, taking various positions in marketing and program management for international space programs. Before he joined CGWIC, he had worked for China Academy of Launch Vehicle Technology for two years. Mr. Fu is currently a Director of APT Satellite Company Limited, which is a subsidiary of the Company. He is also the Director of APT International, the substantial shareholder of the Company.

Mr. LIM Kian Soon, aged 61, graduated with a Bachelor of Computer Engineering from University of Tsukuba, Japan and obtained Master of Business Administration from University of Leeds, United Kingdom. Mr. Lim had worked for Singtel since 1997, serving in various appointments. Mr. Lim is the Vice President of Satellite since January 2025 and is responsible for the satellite business and infrastructure in Singtel. Mr. Lim assumed this responsibility as Head of Satellite in April 2022 which he also held from January 2013 to March 2017. Prior to this appointment, as Head of Carrier Sales, he was responsible for the sales of all Singtel domestic, international data and data centre services to the four big tech companies and all telecom service providers in Singapore and globally. Mr. Lim is a director of APT Satellite Company Limited, which is a subsidiary of the Company. Mr. Lim is also a director of APT International, the substantial shareholder of the Company.

NON-EXECUTIVE DIRECTORS (Continued)

Ms. LI Xiaomei, aged 52, has been appointed as a Non-Executive Director of the Company since 31 August 2023. Ms. Li graduated from Xian University of Technology's Graduate School of Management Science and Engineering in 1999, with a master's degree in Management Science and Engineering. Since 1999, she has worked consecutively as an engineer and deputy director at the China Academy of Space Technology, mainly responsible for work related to business investment; as the general manager of the development planning department, the general manager of the investment management department, and as the assistant to the president of China Dongfanghong Satellite Co., Ltd., mainly responsible for development planning and investment management. In July 2021, she joined China Satellite Communications Company Limited. Ms. Li is currently the assistant general manager and head of corporate strategy department of China Satcom. Ms. Li has also been appointed as Director of APT Satellite Company Limited, which is a subsidiary of the Company and Director of APT International, the substantial shareholder of the Company.

Mr. TSENG Ta-mon, aged 67, has been appointed as an Alternate Director to Dr. Yin Yen-liang, a Non-Executive Director of the Company, since September 2004. He had been a Non-Executive Director of the Company from July 2003 to September 2004. Mr. Tseng graduated with an LL.B. Degree from National Chengchi University in 1980 and subsequently received the LL.M. Degree from University College London in 1982 and the LL.B. Degree from B.A. at University of Cambridge in 1984 respectively. He also graduated from the Inns of Court School of Law of Middle Temple in 1985 and became Barrister-at-Law in the same year. He was the Specialist of the Board of International Trade from 1985 to 1987. He was also the Partner of Dong & Lee from 1987 to 1992. He has been the Counsel of the Ruentex Group, the holding company of one of the shareholders of APT International. Mr. Tseng is also the Alternate Director to Dr. Yin Yen-liang, a Director of APT Satellite Company Limited, which is a subsidiary of the Company and APT International, the substantial shareholder of the Company.



DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES AND CHANGES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. LAM Sek Kong, aged 65, has been appointed as an Independent Non-Executive Director of the Company since July 2007. Dr. Lam is a member of the Nomination Committee of the Company and since 1 January 2010 has been the Chairman of the Nomination Committee. Dr. Lam is also a member of each of the Audit and Risk Management Committee and the Remuneration Committee of the Company. Dr. Lam graduated from the University of Hong Kong in 1984. He is a partner of Messrs. Guantao & Chow Solicitors and Notaries. He has been practicing law in Hong Kong since 1987. Dr. Lam is a member of the Hong Kong Society of Notary Public, the China Appointed Attesting Officers Association in Hong Kong and a member of the Chartered Institute of Arbitrators (UK) and a fellow of the Hong Kong Institute of Arbitrators. Dr. Lam is also admitted as advocate and solicitor of the High Court of Singapore, barrister and solicitor of the Supreme Court of Australian Capital Territory, legal practitioner of the Supreme Court of New South Wales and barrister in federal court of Australia. Dr. Lam holds a bachelor degree and a master degree in laws from the University of Hong Kong, a master degree in laws from the University of Peking and a Ph.D. degree in laws from the Tsinghua University.

Mr. CUI Ligu, aged 56, has been appointed as an Independent Non-Executive Director of the Company since July 2007. Mr. Cui is also a member of Remuneration Committee of the Company and since 25 September 2023 has been re-designated as the Chairman of Remuneration Committee of the Company. Mr. Cui is also a member of each of the Audit and Risk Management Committee and Nomination Committee of the Company. Mr. Cui graduated from the faculty of economic law of the China University of Political Science and Law in 1991. He founded the Guantao Law Firm in 1994, and is acting as a Founding Partner and the officer of its Management Committee. Mr. Cui has over 30 years of experience in legal sector, and holds independent directorship in the board of directors of several companies, such as, CNNC International Limited (a corporation listed on the Stock Exchange, Stock Code: 02302), Frontier Services Group Limited (a corporation listed on the Stock Exchange, Stock Code: 00500), Beijing Life Insurance Co., Ltd., China United SME Guarantee Corporation.

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Dr. MENG Xingguo, aged 70, has been appointed as an Independent Non-Executive Director and a member of each of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company with effect from 5 July 2012. Dr. Meng graduated from the Renmin University of China with a Bachelor of Economics degree in 1982. He then obtained his Master of Finance degree from the Graduate Institute of The People's Bank of China in 1985. He also graduated from the School of Business of Temple University in 1994, with doctorate degree in Business Management. Dr. Meng had worked consecutively in the Reinsurance department of the headquarters of The People's Insurance Company (Group) of China Limited, branch and the headquarters of The People's Bank of China since 1985. He has also been the executive vice president of Allianz Dazhong Life Insurance Co., Ltd. (currently known as the "Allianz China Life Insurance Company Limited") and senior vice president of Sun Life Everbright Life Insurance Company Limited. Since joining Central Huijin Investment Limited in 2006, Dr. Meng had served as the Director of the insurance division in the department of non-banking financial institutions, and was appointed as a Director of China Reinsurance Group Co., Ltd. and a Non-executive Director of New China Life Insurance Company Limited (a corporation concurrently listed on the Stock Exchange (Stock Code: 01336) and the Shanghai Stock Exchange (Stock Code: 601336)). Dr. Meng has also served as the non-executive Chairman in Generali Insurance Agency Co., Ltd. from 2017 to 2023. Dr. Meng also started serving as Independent Non-Executive Director in Cathay Property & Casualty Insurance Company Limited and Aegon Insurance Asset Management Company Limited from June and December 2025 respectively.

Ms. YIM Ka Man, aged 46, has been appointed as an Independent Non-Executive Director and Chairman of the Audit and Risk Management Committee, and a member of each of Nomination Committee and Remuneration Committee of the Company with effect from 25 September 2023. Ms. Yim received a Master of Laws (International and Commercial Law) degree from the University of Greenwich, the United Kingdom in November 2020 and a Bachelor of Business (Accounting and Banking & Finance) degree from Monash University, Australia in July 2002. Ms. Yim is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants. She has over 18 years of experience in external audit, management accounting, operations management, internal control review, ESG reporting and enterprise risk assessment. She has been the Head of Risk Advisory Services at Forvis Mazars CPA Limited ("Forvis Mazars"), an international audit, tax and advisory firm, in Hong Kong since April 2021. Prior to joining Forvis Mazars, she worked at BDO Risk Advisory from March 2014 to May 2015 as manager, and at Baker Tilly Hong Kong – Risk Advisory from May 2015 to April 2021, with her last position as director. She has been appointed as the independent non-executive Director of Scholar Education Group (a corporation listed on the Stock Exchange, Stock Code: 1769) since May 2023. Prior to that, she has worked at an international accounting firms as stated above, where she was responsible for supervising auditors in a number of systems reviews and audit assignments for both listed companies, large private enterprises and listing applicants, and she has also worked at the internal audit departments of Miramar Group, a renowned hospitality group, and Hang Lung Properties, a leading property developer in Hong Kong.

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILES AND CHANGES

SENIOR MANAGEMENT

Mr. CHEN Xun, aged 54, Executive Vice President, Mr. Chen is responsible for technical operations and engineering of the Company, he has over 25 years' experience in satellite and telecommunications industry. Mr. Chen joined the Company in year 2000. He holds a Bachelor's degree in computer and telecommunications from Chongqing Institute of Post & Telecommunications and an MBA degree from the University of South Australia. Before joining the Company, he worked for China Telecommunications Broadcast Satellite Corporation. Mr. Chen is a Director of APT Mobile.

Mr. TAN Shu Kiang, aged 54, has been appointed as the Vice President since August 2022. Mr. Tan is responsible for Sales of the Company. Mr. Tan graduated from Charles Sturt University with an MBA and Griffith University with a Master's Degree in Construction Engineering & Management. Mr. Tan joined the Company in September 2001 and served as the Director and General Manager of Sales. Mr. Tan has over 21 years' experience in sales.

Ms. WANG Yanan, aged 41, has been appointed as the Vice President of the Company since March 13, 2025 and is responsible for the financial management of the Company. Ms. Wang graduated from The University of Sydney with a master's degree in commerce and obtained a doctorate degree in economics from Jilin University. Ms. Wang holds international authoritative professional qualifications such as the Chartered Institute of Management Accountants, CPA Australia and the American Institute of Certified Public Accountants. She has accumulated profound professional knowledge and rich practical experience in the field of financial management, and possesses comprehensive financial management capability. Ms. Wang has joined the Company since September 2009 and has served as assistant general manager of finance, director of the investment and finance department, and is currently the general manager of the finance department, fully responsible for the formulation and implementation of the Company's financial strategies.

Pursuant to Rule 13.51B(1) of the Listing Rules, the change and update in Directors' biographical details are as follows:

- Mr. Cui Ligu no longer be the independent director of China Coal Xinji Energy Co., Ltd. with effect from 26 June 2025.
- Dr. Meng Xinguo holds the independent directorship in the Cathay Property & Casualty Insurance Company Limited and Aegon Insurance Asset Management Company Limited with effect from June 2025 and December 2025 respectively.
- Ms. Li Xiaomei no longer be the director of Sino Satellite Communications Company Limited, AeroSat Link Technology Company Limited, Zhongwei Puxin Broadband Communications Co., Ltd., and a supervisor of Beijing Media Corporation Limited.

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.

DIRECTORS' REPORT

The board of directors ("Directors") of the Company is pleased to present their report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the maintenance, operation, and provision of satellite transponder capacity; satellite-based broadcasting and telecommunications services; and other satellite-based related services. Discussion and analysis of these activities pursuant to Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622) including a discussion of the principal risks and uncertainties which may be faced by the Group and an indication of the forward-looking developments in the Group's business are included in the "Management Discussion and Analysis" set out on pages 10 to 20 of this Annual Report forming part of this Directors' Report.

SEGMENTAL INFORMATION

Details of the segmental information are set out in note 10 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The profit of the Group for the year ended 31 December 2025 and the state of the Group's affairs as at that date are set out in the consolidated financial statements on pages 93 to 175.

During the year, the Company has declared and paid an interim dividend in cash of HK2.50 cents per share. The Board has resolved to declare a final dividend in cash of HK6.00 cents per share to shareholders whose names appear on the register of members at the close of business on 4 June 2026.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 175 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in note 11 to the consolidated financial statements.

DIRECTORS' REPORT

SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2025 are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

During the year, no new share of the Company was issued.

There was no purchase, sale or redemption by the Company, or any subsidiaries of the Company's shares during the year.

Details of movement of the share capital are set out in note 26(b) to the consolidated financial statements.

RESERVES

Details of movements during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 97.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company are set out in note 26(a) to the consolidated financial statements.

FIXED CHARGE

Details of the Group's fixed charge are set out in note 19 to the consolidated financial statements.

DONATIONS

Charitable donations made by the Group during the year amounted to HK\$Nil (2024: HK\$Nil).

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company is currently in force and was in force throughout the year.

MANAGEMENT CONTRACTS

Other than the service contracts of the directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Wang Hongbin (*President*)

Yan Zhao (*Vice President*)

Non-executive Directors

Sun Jing (*Chairman*)

Leong Kah Fai Keith

Yin Yen-liang

Fu Zhiheng

Lim Kian Soon

Li Xiaomei

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

Independent Non-executive Directors

Lam Sek Kong

Cui Liguó

Meng Xingguo

Yim Ka Man

In accordance with Bye-Laws 87 of the Company's Bye-Laws, Mr. Fu Zhiheng, Mr. Lim Kian Soon and Mr. Cui Liguó shall retire at the forthcoming annual general meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting. The remaining Directors will continue in office.

The biographical details of the Directors and changes are set out in the section "Directors' and Senior Management's Profiles and Changes" of this annual report.

DIRECTORS' SERVICE CONTRACT

No service contract was entered into between the Directors and the Company or any of its subsidiaries that is exempt under Rule 13.69 of the Listing Rules.

No Director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' EMOLUMENTS

The emoluments of the Directors on a named basis are set out in note 6 to the consolidated financial statements.

DIRECTORS' REPORT

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the Independent Non-executive Directors an annual confirmation as regards their independence pursuant to rule 3.13 of the Listing Rules and in the opinion of the Directors having regard to the Company's Nomination Committee's assessment of their independence, they remain to be considered as independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 December 2025, the interests of each Director and the Chief Executive of the Company are interested, or are deemed to be interested in the long and short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) 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	Numbers of share options
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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, as at 31 December 2025, none of the Directors or the Chief Executives of the Company had or was interested, or was deemed to be interested in the long and short positions in the shares and underlying shares 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 Part XV of the SFO or Model Code for Securities Transactions by Directors of Listed Companies.

SHARE OPTION SCHEMES

The Company has not approved any new share option scheme after the lapse of its last share option scheme on 21 May 2012. During the year, no option was granted.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year.

INTERESTS IN COMPETING BUSINESS

As at 31 December 2025, the following director of the Company was also director in other business, which competes or is likely to compete, either directly or indirectly, with the Group's business:

Name of Director	Name of company	Principal Activity
Lim Kian Soon	Singapore Telecommunications Limited	Provision of satellite capacity for telecommunication and video broadcasting services

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2025, according to the register of interests in shares and short positions kept by the Company under section 336 of the SFO, 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

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (Continued)

Notes:

1. China Aerospace Science & Technology Corporation ("CASC") was deemed to be interested in the shares of the Company by virtue of:
 - (a) CASC holds directly and indirectly in aggregate 74.22% interest of China Satellite Communications Company Limited ("China Satcom"), which in turn holds (i) 42.86% of APT Satellite International Company Limited ("APT International"); and (ii) 100% in China Satellite Communications (Hong Kong) Corporation Limited, which in turn holds 13,500,000 shares (approximately 1.45% interests) of the Company;
 - (b) CASC holds 100% interest directly in China Great Wall Industry Corporation ("CGWIC"), which in turn holds indirectly 14.29% interests in APT International; and
 - (c) CASC directly holds 13,500,000 shares (approximately 1.45% interests) of the Company.
2. China Satcom was deemed to be interested in the shares of the Company by virtue of:
 - (a) China Satcom holds 42.86% interests in APT International; and
 - (b) China Satcom holds 100% interest in China Satellite Communications (Hong Kong) Corporation Limited, which in turn holds 13,500,000 shares (approximately 1.45% interests) of the Company.
3. APT International directly holds 481,950,000 shares (approximately 51.90% interests) of the Company.
4. Temasek Holdings (Private) Limited ("Temasek") was deemed to be interested in the shares of the Company by virtue of its interests through its controlled corporation (being Temasek's 52.2% 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% interests in APT International and directly holds 51,300,000 shares (approximately 5.53% interests) of the Company.

Save as disclosed above, as at 31 December 2025, 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.

As at the date of this report, Messrs. Mr. Wang Hongbin, Mr. Yan Zhao, Mr. Sun Jing, Mr. Leong Kah Fai Keith, Dr. Yin Yen-liang, Mr. Fu Zhiheng, Mr. Lim Kian Soon, Ms. Li Xiaomei and Mr. Tseng Ta-mon (alternate director to Dr. Yin Yen-liang), Directors of the Company, are also directors of APT Satellite International Company Limited.

Save as disclosed above, the Company has not been notified of any other interest representing 5% or more of the Company's issued share capital at 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

In 2025, the aggregate revenue attributable to the Group's five largest customers was 58.6% (2024: 55.5%) of the total revenue. In 2025 the largest customer accounted for 32.0% of the Group's revenue and the largest supplier represented 32.8% of the Group's total purchases.

One of the five largest customers was China Satellite Communications Company Limited ("China Satcom"). China Satcom is a subsidiary of China Aerospace Science & Technology Corporation, the controlling shareholder of the Company. Mr. Sun Jing and Ms. Li Xiaomei have interests to the extent that they have been concurrently directors or senior officers of China Satcom.

The aggregate purchase attributable to the Group's five largest suppliers was less than 92.2% of total purchases (2024: 74.8%).

Save as disclosed above, at no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) have an interest in any of the Company's five largest customers or suppliers.

SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDER

According to a facility agreement entered into on 16 August 2024, China Aerospace Science & Technology Corporation, the controlling shareholder of the Company, is required to maintain control of or hold directly or indirectly not less than 30% shareholdings of the Company and remain as the single largest shareholder of the Company. As at 31 December 2024 and 2025, the amount of the facility subject to such an obligation was HK\$Nil.

CONNECTED TRANSACTIONS

Certain connected transactions also fall under related party transactions in accordance with the IFRS Accounting Standards/Hong Kong Financial Reporting Standards, details are set out in note 31 to the consolidated financial statements. It is confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DIRECTORS' REPORT

MAJOR AND CONNECTED TRANSACTIONS

APSTAR-6E Satellite

On 6 November 2020, APT Satellite Company Limited (“APT HK”), entered into the Investment and Cooperation Agreement with the project partners (“Project Partners”) namely China Academy of Launch Vehicle and Technology, China Academy of Space and Technology and China Great Wall Industry Corporation (“CGWIC”) for the establishment of a new entity (“New Company”) which will procure and launch the APSTAR-6E Satellite and use it to provide satellite telecommunication services in Asia Pacific region. The total share capital of the New Company will be US\$30 million, and APT HK will contribute US\$6,000,000 (approximately HK\$46,800,000) (representing 20% of the equity interest in the New Company).

In order to meet the business plan requirements of the New Company, as authorised by the Project Partners, APT HK entered into an agreement (the “Satellite Contract”) with China Great Wall Industry (Hong Kong) Corp. Limited (the “Contractor”) on 6 November 2020 which including the services of manufacturing, delivery and launching of the APSTAR-6E Satellite. The total contract price is US\$137,590,000. Pursuant to the Investment and Cooperation Agreement, it has been agreed that upon the establishment of the New Company, APT HK, the New Company and Contractor shall enter into a novation agreement (“Novation Agreement”), pursuant to which all obligations and rights of APT HK under the Satellite Contract shall be assigned and transferred to New Company, APT HK will fully receive all contractual price and other fees that has been paid to the Contractor and the interest payment from the New Company.

As each of the Project Partners and New Company are the connected party of the Company under the meaning of Chapter 14A of the Listing Rules, the Investment and Cooperation Agreement, the Satellite Contract and the Novation Agreement were approved by shareholders of the Company in a special general meeting held on 21 December 2020.

The New Company APSTAR Alliance Satcom Limited (“APSTAR Alliance”) has been established on 31 August 2021 as an associate of the Group. APT HK, the APSTAR Alliance and Contractor have entered into Novation Agreement dated on 15 December 2021, all the obligations and rights of Satellite Contract has been transferred to APSTAR Alliance.

APSTAR-6E Satellite has been positioned at 134 degree East Longitude in geostationary orbit in July 2024 since its launch in 2023, After completing the in-orbit test, it was officially delivered and put into operation in November 2024.

MAJOR AND CONNECTED TRANSACTIONS (Continued)

FORMATION OF APT MOBILE SATCOM LIMITED

APT Satellite Communications (Shenzhen) Co. Ltd. (“APT Shenzhen”), a wholly-owned subsidiary of the Company, together with 航天投資控股有限公司 (“China Aerospace Investment Holdings Ltd.”) and other investors from China, signed an investors’ Agreement dated 23 July 2016 and a Supplemental Agreement dated 12 August 2016 to establish a company namely APT Mobile Satcom Limited (“APT Mobile”). The total registered capital of APT Mobile was RMB2,000 million, of which APT Shenzhen committed to invest RMB600 million (representing 30% of the equity interest in APT Mobile) (“Committed Capital”). At 31 December 2021, APT Shenzhen has paid RMB600,000,000, representing 100% of the Committed Capital. The scope of business of APT Mobile includes construction and operation of satellite communication system, satellite space segment services, satellite fixed and mobile telecommunication services, internet access, integration of networks and systems and technical consultancy services etc. The business income of APT Mobile in the early stage of operation was affected by the market environment, but it has been continuously improving and approaching expectations. Since APT Mobile is an associate of CASC, it is therefore a connected party of the Company under the meaning of Chapter 14A of the Listing Rules.

As at 31 December 2025, the shareholders of APT Mobile were APT Shenzhen, 交通運輸通信信息集團有限公司, 中國國有資本風險投資基金股份有限公司, 深圳市昊創投資集團有限公司, 航天投資控股有限公司, 國華衛星應用產業基金(南京)合夥企業(有限合夥), 蘇州遠海天璣股權投資合夥企業(有限合夥), 深圳市創新投資集團有限公司, 深圳市衛星通信科技合夥企業(有限合夥), 廣東濠盈巡天一號投資合夥企業(有限合夥), 杭州艾尼路信息技術有限公司, 海南盛星通企業管理合夥企業(有限合夥), 廣東濠盈巡天零號投資合夥企業(有限合夥).

CONTINUING CONNECTED TRANSACTIONS

On 28 September 2023, the Company entered into the Satellite Transmission and Communication Services Master Agreement (“Existing Master Agreement”) with China Satcom of validity until 31 December 2026 thereby subject to the terms and conditions of the Existing Master Agreement, the Group and China Satcom, on an ongoing basis, provide to each other (including their respective associates) services (the “Continuing Connected Transactions”) that (i) satellite transmission service, (ii) value-added service for satellite telecommunication; and (iii) other related professional and management services for satellite and telecommunication, including but not limited to consultancy services in relation to satellite project construction and services in relation to orbital position coordination and authorization services. Since China Satcom is a subsidiary of CASC, and CASC and its associates hold approximately 52.78% interest of APT Satellite International Company Limited, the substantial shareholder of the Company holding approximately 51.90% of the issued share capital of the Company. China Satcom is therefore a connected party of the Company under the Listing Rules.

DIRECTORS' REPORT

CONTINUING CONNECTED TRANSACTIONS (Continued)

As approved by the independent shareholders of the Company on 14 December 2023, the maximum annual aggregate value (the "Caps") in respect of the provision of satellite transmission service, value-added service for satellite telecommunication and other related professional and management services ("Satellite Services") between the Company and/or its subsidiaries and China Satcom and/or its associates for the year ended 31 December 2025 are as follows:

- | | | |
|-----|---|-----------------|
| (a) | the Caps in respect of the provision of the Satellite Services by the Group or its subsidiaries to China Satcom and/or its associates | HK\$576,000,000 |
| (b) | the Caps in respect of the provision of the Satellite Services by China Satcom and/or its associates to the Group | HK\$280,000,000 |

The Independent Non-executive Directors of the Company have reviewed the Continuing Connected Transactions and confirmed that:

- (i) the Continuing Connected Transactions have been entered into under the usual and ordinary course of business of the Group;
- (ii) the Continuing Connected Transactions have been conducted either on normal commercial terms; or if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available from independent third parties; and
- (iii) the Continuing Connected Transactions have been entered into in accordance with the Existing Master Agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

CONTINUING CONNECTED TRANSACTIONS (Continued)

The Directors have received a letter from the auditor of the Company, BDO Limited, which was engaged to report on the Group's Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's letter on Continuing Connected Transactions under the Hong Kong Listing Rules" both issued by the Hong Kong Institute of Certified Public Accountants. BDO Limited has issued their unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transactions disclosed by the Group in accordance with Listing Rules 14A.56 where confirming the Continuing Connected Transactions:

- (i) have been approved by the Board of Directors;
- (ii) were in all material respects, in accordance with the pricing policies of the Group;
- (iii) were in all material respects, in accordance with the relevant agreement governing the Continuing Connected Transactions; and
- (iv) have not exceeded the respective Caps set out above for the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

DIRECTORS' REPORT

RETIREMENT BENEFIT SCHEMES

Details of the Company's retirement benefit schemes are set out in note 30 to the consolidated financial statements.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" contained in this annual report.

AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2025 were audited by BDO Limited ("BDO") whose terms of office will expire upon the forthcoming Annual General Meeting of the Company. A resolution for the re-appointment of BDO as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

BUSINESS REVIEW

The Business Review of the Group is set out in the "Management Discussion and Analysis" on pages 10 to 20 of this annual report. The details of the relationships with the Group's stakeholders are set out in the "Environmental, Social and Governance Report" on pages 40 to 67 of this annual report. These discussions form part of this Directors' Report.

86

By order of the Board

Sun Jing

Chairman

Hong Kong, 19 March 2026

INDEPENDENT AUDITOR'S REPORT



Tel : +852 2218 8288
Fax : +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF APT SATELLITE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of APT Satellite Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 93 to 175, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Annual impairment assessment of the intangible asset with indefinite useful life

Refer to note 13 and 34(b)(i) to the consolidated financial statements and the accounting policies note 1(j)(i).

The Key Audit Matter

The carrying value of the Group's intangible asset with indefinite useful life (the "IA"), representing the acquired orbital slot for satellite operation, amounted to HK\$133.6 million as at 31 December 2025.

The orbital slot was solely occupied by a satellite of the Group. As the IA generates cash inflows together with this satellite, the Group performs annual impairment assessment of the IA and the satellite together, by comparing the aggregate carrying value of the IA and the satellite against their aggregate recoverable amount, based on the discounted cashflow forecast prepared by management to determine the amount of impairment loss to be recognised, if any.

We identified the potential impairment of the IA as a key audit matter because the impairment assessment conducted by management is complex and contain certain judgmental assumptions, particularly the discount rate and revenue growth rate.

Our response

Our audit procedures to assess potential impairment of the IA included the following:

- evaluating the appropriateness of the Group's identification of the cash-generating unit comprising the IA and the satellite solely using the IA;
- with the assistance of our internal valuation specialists, assessing the methodology used in the cashflow forecast prepared by management and whether the discount rate adopted in the cashflow forecast is within the normal range used by other market participants;
- comparing the revenue growth rate adopted in the cashflow forecast with past growth rates achieved by the Group as well as with those of comparable companies and other available external market data, taking into account recent developments in the commercial satellite industry and the Group's future operating plans;
- comparing the revenue included in the cashflow forecast prepared by management in the prior year with the current year actual performance of the Group to assess accuracy of the prior year's cashflow forecast, and making enquiries of management as to the reasons for any significant variations identified; and
- obtaining from management the sensitivity analyses of both discount rate and revenue growth rate as adopted in the cashflow forecast prepared by the Group and assessing the impact of changes in these key assumptions to the conclusion reached in the impairment assessment and whether there was any indicator of management bias.

KEY AUDIT MATTERS (Continued)

Recoverability of trade receivables

Refer to notes 17, 28(a) and 34(b)(ii) to the consolidated financial statements and the accounting policies note 1(i)(i).

The Key Audit Matter

At 31 December 2025, the Group's trade receivables amounted to HK\$201.4 million, after netting off loss allowances of HK\$21.7 million.

The Group's customers operate in a number of geographical locations, all of them having different credit profiles. The timing of trade receivable settlement can be influenced by geographical norms and the economic environment in which the customers operate.

The Group's loss allowances are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the ageing of the trade receivables and credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date, all of which involve a significant degree of management judgment.

The Group's loss allowances included a specific element based on individual receivables and a collective element based on historical experience adjusted for geographical norms.

We identified the recoverability of trade receivables as a key audit matter because of the significance of trade receivables to the consolidated financial statements and because the assessment of the recoverability of trade receivables and recognition of loss allowances are inherently subjective and require significant management judgment, which increases the risk of error or potential management bias.

Our response

Our audit procedures to assess recoverability of trade receivables included the following:

- understanding and evaluating the design, implementation and operating effectiveness of management's key internal controls in respect of the valuation of trade receivables, which included credit control procedures and estimate of expected credit losses under the Group's policy;
- assessing, on a sample basis, whether items in the trade receivables report were classified within the appropriate geographical location and appropriate ageing brackets by comparing individual items in the report with underlying documentation, including sales contracts and sales invoices;
- assessing the reasonableness of management's loss allowance estimates by examining the information used by management to form such judgments, including testing the accuracy of the historical default data and evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions in different geographical locations and forward-looking information; and
- evaluating the assumptions and estimates made by management in calculating the loss allowances by examining the utilisation or release of previously recorded allowances during the current year and write-offs of trade receivables not previously provided for, on a sample basis.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards, HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit and Risk Management Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Yau Shuk Yuen Amy

Practising Certificate No. P06095

Hong Kong, 19 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Notes	2025 \$'000	2024 \$'000
Revenue	3 & 10	739,092	784,650
Cost of services		(537,233)	(500,521)
Gross profit		201,859	284,129
Other net gains	4(a)	96,361	111,811
Valuation loss on investment properties	12	(457)	(631)
Administrative expenses		(114,809)	(100,407)
Profit from operations		182,954	294,902
Fair value changes on financial assets	15	–	1,133
Finance costs	4(b)	(4,106)	(5,056)
Share of loss of associates	14	(18,610)	(57,714)
Profit before taxation	4	160,238	233,265
Income tax	5(a)	(18,453)	(30,945)
Profit for the year		141,785	202,320
Profit for the year attributable to:			
– Owners of the Company		141,392	205,221
– Non-controlling interests		393	(2,901)
		141,785	202,320
Earnings per share attributable to equity shareholders of the Company	9		
Basic and diluted		15.23 cents	22.10 cents

The notes on pages 99 to 175 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	2025 \$'000	2024 \$'000
Profit for the year	141,785	202,320
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of:		
• financial statements of operations outside Hong Kong*	17,626	(19,683)
Other comprehensive income for the year	17,626	(19,683)
Total comprehensive income for the year	159,411	182,637
Total comprehensive income for the year attributable to:		
– Owners of the Company	159,018	183,427
– Non-controlling interests	393	(790)
	159,411	182,637

* Included exchange gain on translation of financial statements of associates of \$13,520,000 (2024: an exchange loss of \$8,671,000).

The notes on pages 99 to 175 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025 (Expressed in Hong Kong dollars)

	Notes	2025 \$'000	2024 \$'000
Non-current assets			
Property, plant and equipment	11(a)	3,155,193	3,507,777
Investment properties	12	7,787	8,053
Intangible assets	13	251,696	260,432
Investments in associates	14	549,085	551,838
Club membership		380	380
Prepayments		2,657	3,507
Deferred tax assets	25(b)	746	136
		3,967,544	4,332,123
Current assets			
Trade receivables, net	17	201,357	147,464
Deposits, prepayments and other receivables	18	39,825	38,149
Pledged bank deposits		1,522	367
Bank deposits with original maturity beyond 3 months		2,326,487	1,982,134
Cash and cash equivalents	20(a)	406,712	465,893
		2,975,903	2,634,007
Current liabilities			
Payables and accrued charges	21	86,245	65,015
Deferred income	23	42,286	60,116
Dividend payable		16,089	14,580
Lease liabilities	24	23,948	31,430
Current taxation	25(a)	46,727	43,480
		215,295	214,621
Net current assets		2,760,608	2,419,386
Total assets less current liabilities carried forward		6,728,152	6,751,509

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025 (Expressed in Hong Kong dollars)

	Notes	2025 \$'000	2024 \$'000
Total assets less current liabilities brought forward		6,728,152	6,751,509
Non-current liabilities			
Deposits received	22	25,334	26,982
Deferred income	23	35,515	60,434
Employee benefits obligations		32	34
Lease liabilities	24	58,695	79,888
Deferred tax liabilities	25(b)	444,471	495,484
		564,047	662,822
Net assets		6,164,105	6,088,687
Capital and reserves			
Share capital	26(b)	92,857	92,857
Share premium	27(i)	1,230,581	1,230,581
Contributed surplus	27(ii)	511,000	511,000
Revaluation reserve	27(iii)	123,950	123,950
Exchange reserve	27(iv)	(40,886)	(58,512)
Other reserves	27(v)	1,202	1,202
Capital reserves		41	–
Accumulated profits		4,244,660	4,186,839
Equity attributable to owners of the Company		6,163,405	6,087,917
Non-controlling interests		700	770
Total equity		6,164,105	6,088,687

Approved and authorised for issue by the Board of Directors on 19 March 2026.

WANG Hongbin
Director

YAN Zhao
Director

The notes on pages 99 to 175 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Attributable to equity owners of the Company									Non-controlling Interests	Total
	Share capital	Share premium	Contributed surplus	Revaluation reserve	Exchange reserve	Capital reserves	Other Reserves	Accumulated profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2024	92,857	1,230,581	511,000	123,950	(36,718)	-	1,202	4,158,047	6,080,919	-	6,080,919
Changes in equity for 2024:											
Profit for the year	-	-	-	-	-	-	-	205,221	205,221	(2,901)	202,320
Other comprehensive income	-	-	-	-	(21,794)	-	-	-	(21,794)	2,111	(19,683)
Total comprehensive income	-	-	-	-	(21,794)	-	-	205,221	183,427	(790)	182,637
Business combination (note 35)	-	-	-	-	-	-	-	-	-	1,560	1,560
Dividend approved in respect of the previous year (note 8(iii))	-	-	-	-	-	-	-	(134,643)	(134,643)	-	(134,643)
Dividend declared in respect of current year (note 8(i))	-	-	-	-	-	-	-	(41,786)	(41,786)	-	(41,786)
Balance at 31 December 2024	92,857	1,230,581	511,000	123,950	(58,512)	-	1,202	4,186,839	6,087,917	770	6,088,687
Balance at 1 January 2025	92,857	1,230,581	511,000	123,950	(58,512)	-	1,202	4,186,839	6,087,917	770	6,088,687
Changes in equity for 2025:											
Profit for the year	-	-	-	-	-	-	-	141,392	141,392	393	141,785
Other comprehensive income	-	-	-	-	17,626	-	-	-	17,626	-	17,626
Total comprehensive income	-	-	-	-	17,626	-	-	141,392	159,018	393	159,411
Dividend approved in respect of the previous year (note 8(ii))	-	-	-	-	-	-	-	(60,357)	(60,357)	-	(60,357)
Dividend declared in respect of current year (note 8(i))	-	-	-	-	-	-	-	(23,214)	(23,214)	-	(23,214)
Acquisition of non-controlling interests	-	-	-	-	-	41	-	-	41	(463)	(422)
Balance at 31 December 2025	92,857	1,230,581	511,000	123,950	(40,886)	41	1,202	4,244,660	6,163,405	700	6,164,105

The notes on pages 99 to 175 form part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Notes	2025 \$'000	2024 \$'000
Operating activities			
Cash generated from operations	20(b)	410,393	555,118
Hong Kong profits tax paid		(47,597)	(78,036)
Overseas tax paid		(20,909)	(21,170)
Net cash generated from operating activities		341,887	455,912
Investing activities			
Payment for purchase of property, plant and equipment		(47,018)	(39,561)
Placement of pledged bank deposits		(1,155)	(367)
Proceeds from disposal of financial assets measured at fair value through profit or loss		–	1,133
Proceeds from disposal of property, plant and equipment		–	42
Interest received		97,446	92,210
Net cash acquired from business combination	35	–	4,342
Placement of bank deposits with original maturity beyond 3 months		(8,963,087)	(6,007,161)
Release of bank deposits with original maturity beyond 3 months		8,618,734	5,989,947
Net cash flow (used in)/generated from investing activities		(295,080)	40,585
Financing activities			
Capital element of lease rentals paid	20(c)	(24,973)	(31,930)
Interest element of lease rentals paid	20(c)	(4,106)	(5,056)
Dividends paid to equity shareholders of the Company	20(c)	(82,062)	(173,864)
Net cash used in financing activities		(111,141)	(210,850)
Net (decrease)/increase in cash and cash equivalents		(64,334)	285,647
Cash and cash equivalents at 1 January	20(a)	465,893	183,273
Effect of foreign exchange rates changes		5,153	(3,027)
Cash and cash equivalents at 31 December	20(a)	406,712	465,893

The notes on pages 99 to 175 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

APT Satellite Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, 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 Group, comprising the Company and its subsidiaries, is principally engaged in maintenance, operation, and provision of satellite transponder capacity, satellite-based broadcasting and telecommunications services, and other satellite-related services.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) and Interpretations (collectively “IFRS Accounting Standards”). As Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS Accounting Standards”) 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 IFRS Accounting Standards, these consolidated financial statements also comply with HKFRS Accounting Standards. In addition, these consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) including the disclosure provisions of the Hong Kong Companies Ordinance. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. The equivalent amendments to HKFRS Accounting Standards consequently issued by the HKICPA as a result of these developments 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. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that investment properties (see note 1(f)) are stated at fair value, as explained in the accounting policies set out below.

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards and HKFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquiree’s identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRS Accounting Standards and HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 34.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statement of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gain or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 1(i)(ii)).

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method. It is initially recorded at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the expected credit loss ("ECL") model to such other long-term interests where applicable (see note 1(i)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(e) Non-controlling interests

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, and are initially measured at their proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. Subsequent to the acquisition, profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(f) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(h)(ii)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 1(r)(iv).

(g) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 1(i)(ii)):

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 1(h)(i)).

Satellite under construction includes the manufacturing costs, launch costs and any other relevant direct costs when incurred as construction in progress. When the satellite is available for use, the expenditure is transferred to communication satellites and depreciation will commence.

Construction in progress is stated at cost less any accumulated impairment losses. Cost comprises direct costs of construction. Construction in progress is transferred to the appropriate classes of property, plant and equipment when substantially all the activities necessary to prepare the assets for the intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(g) Property, plant and equipment (Continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, other than satellite under construction and properties under construction, less their estimated residual value, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

- The Group's interests in buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and the buildings' estimated useful lives, being no more than 50 years after the date of completion.
- Leasehold land is depreciated Over the unexpired term of lease
- Leasehold improvements Over the lease term
- Right-of-use assets Over the lease term
- Furniture and equipment, motor vehicles and computer equipment 4 to 10 years
- Data centre equipment 5 to 15 years
- Communication satellite equipment (earthbound) 5 to 16 years
- Communication satellites (in-orbit) 13.5 to 20.7 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the depreciation method, useful life and residual value of an asset, if any, are reviewed annually and adjusted if appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation or amortisation and impairment losses (see notes 1(g), 1(j)(ii) and 1(i)(ii)).

Other than the leased intangible assets – orbital slots, the Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets for leased intangible assets – orbital slots are presented in “intangible assets”, the same line item within which the corresponding underlying assets would be presented if they were owned.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(h) Leased assets (Continued)

(i) As a lessee (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within 12 months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(r)(iv).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost (including cash and cash equivalents, pledged bank deposits, bank deposits with original maturity beyond 3 months, trade and other receivables, and deposits).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated individually or collectively using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group measures loss allowance at an amount equal to lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, or are determined to have low credit risk at the reporting date, in which case the loss allowance is measured at an amount equal to 12-month ECLs.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. The Group considers both quantitative and qualitative information, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial assets is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtors;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- investment in associates;
- club membership;
- prepayment; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(i) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest identifiable group of assets that generates cash inflows independently (i.e. a cash-generating unit ("CGU")).

(ii) Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

(iii) Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(j) Intangible assets

(i) Intangible asset with indefinite useful life

The Group's intangible asset with indefinite useful life represents the acquired orbital slot for satellite operation with an indefinite useful life and is not amortised. The useful life of an intangible asset is indefinite and is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and amortisation is charged to profit or loss on a straight-line basis over the asset's estimated useful life.

Intangible assets with indefinite useful lives are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 1(i)(ii)).

(ii) Leased intangible assets

The Group's leased intangible assets represent the leased rights to operate satellites at orbital slots with finite leasing period (see note 1(h)(i)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables do not contain a significant financing component and are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 1(i)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL (see note 1(i)(i)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(m) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(n) Deferred income

Deferred income represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

(o) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Liabilities for wages and salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities, specifically the provision for staff salary, are included in "payables and accrued charges" under current liabilities in the consolidated statement of financial position.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises cost for a restructuring.

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in OCI or directly in equity, in which case the relevant amounts of tax are recognised in OCI or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences relating to investments in subsidiaries and associates to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

In respect of deferred tax assets arising from investment property measured at fair value, the presumption that recovery will be through sale rather than use has not been rebutted.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from differences which arise on initial recognition of assets and liabilities, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(p) Income tax (Continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(q) Provisions and contingent liabilities

Provisions are recognised when the Group or Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over service is transferred to the customer, or the lessee has the right to use the assets, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Further details of the Group's revenue and other net gains recognition policies are as follows:

Income from contracts with customers within the scope of IFRS/HKFRS 15

(i) Income from provision of satellite transponder capacity

The income is recognised over time when the Group satisfies performance obligations by providing promised service to its customers in profit or loss in equal instalments over the accounting periods covered by the contract term, except where an alternative basis is more representative of the pattern of benefits to be derived from the utilisation of underlying assets. The Group bills a fixed amount for services provided on a monthly basis and recognises as income in the amount to which the Group has a right to invoice and that corresponds directly with the value of performance completed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(r) Revenue recognition (Continued)

Income from contracts with customers within the scope of IFRS/HKFRS 15 (Continued)

- (ii) Income from provision of satellite-based broadcasting and telecommunications services

The income is recognised in profit or loss in equal instalments over the accounting periods covered by the contract term, except where an alternative basis is more representative of the pattern of benefits to be derived from the utilisation of underlying assets.

- (iii) Other satellite-related service income

Other service income is recognised when services are provided.

Income from source other than contracts with customers within the scope of IFRS/HKFRS 15

- (iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

- (v) Interest income

Interest income is recognised as it accrues using the effective interest method.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(s) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the loss allowance, being the ECL provision measured in accordance with principles of the accounting policy set out in note 1(i)(i); and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised over the guaranteed period.

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong Dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Consolidated statement of financial position items are translated into Hong Kong Dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in OCI and accumulated separately in equity in the exchange reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(u) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (u)(a).
 - (vii) A person identified in (u)(a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parents.

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES (Continued)

(u) Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

2. CHANGES IN ACCOUNTING POLICIES

New standards, interpretations and amendments adopted from 1 January 2025

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS/HKAS 21 *The Effects of Changes in Foreign Exchange Rates*); and
- Disclosure about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on IFRS/HKFRS 7, IFRS/HKFRS 18, IAS/HKAS 1, IAS/HKAS 8, IAS/HKAS 36 and IAS/HKAS 37)

Adoption of these amendments to IFRS Accounting Standards and HKFRS Accounting Standards had no material impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

3. REVENUE

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:

	2025 \$'000	2024 \$'000
Recognised over time:		
– Income from provision of satellite transponder capacity	626,561	680,358
– Income from provision of satellite-based broadcasting and telecommunications services	3,493	4,123
– Other satellite-related service income	109,038	100,169
	739,092	784,650

Remaining performance obligations

The majority of the Group's contracts are for provision of satellite transponder capacity, satellite-based broadcasting and telecommunication services, and other satellite-related services within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS/HKFRS 15 applies. However, certain contracts have been entered into for which both:

- the original contractual period was greater than 12 months; and
- the Group's right to consideration does not correspond directly with the performance.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	2025 \$'000	2024 \$'000
Within 1 year	242,638	283,723
More than 1 year but less than 2 years	169,260	147,616
More than 2 years	778,617	858,343
	1,190,515	1,289,682

4. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Other net gains

	2025 \$'000	2024 \$'000
Interest income on bank deposits and other interest income	83,364	108,786
Foreign currencies exchange gain	10,208	180
Rental income in respect of properties less direct outgoing expenses of \$Nil (2024: \$Nil)	891	961
Gain on bargain purchase on acquisition of subsidiaries (note 35)	–	1,096
Other income	1,898	788
	96,361	111,811

(b) Finance costs

	2025 \$'000	2024 \$'000
Interest on lease liabilities	4,106	5,056

(c) Staff costs (including directors' emoluments)

	2025 \$'000	2024 \$'000
Retirement scheme contributions	2,791	3,090
Salaries, wages and other benefits	65,412	56,763
	68,203	59,853

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

4. PROFIT BEFORE TAXATION (Continued)

Profit before taxation is arrived at after charging: (Continued)

(d) Other items

	2025 \$'000	2024 \$'000
Auditors' remuneration		
– audit services	875	851
– other services	363	270
Depreciation	402,266	409,964
Amortisation	8,736	8,736
Loss on written off of property, plant and equipment	2,926	–
Loss on disposal of property, plant and equipment	–	30
Expenses relating to short-term leases		
– land and buildings and equipment	155	155
– satellite transponder capacity	56,217	12,715
Provision on impairment loss on trade and other receivables	1,069	275

5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 \$'000	2024 \$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	48,211	58,015
Current tax – Outside Hong Kong		
Provision for the year	21,865	24,159
Deferred taxation – Hong Kong (note 25(b))	(51,623)	(51,229)
Tax expense	18,453	30,945

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

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For one of the subsidiaries, 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 2024.

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.

Deferred taxation in respect of Hong Kong Profits Tax was calculated at 16.5% (2024: 16.5%) of the estimated temporary differences for the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

OECD's Pillar Two model rules

On 6 June 2025, the Inland Revenue (Amendment) (Minimum Tax For Multinational Enterprise Groups) Ordinance 2025 was enacted to implement the Pillar Two of the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting – the Global Anti-Base Erosion Rules (“Pillar Two model rules”) in HKSAR in which the Group operates. The new tax law is effective from 1 January 2025.

The new tax law introduces a minimum top up tax. Based on the management's assessment, the enactment of the new tax law has no material impact on the Group's consolidated financial statements. The Group has not recognised any current tax expense or deferred tax assets and liabilities related to Pillar Two income taxes for the year ended 31 December 2025 (2024: \$Nil).

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 \$'000	2024 \$'000
Profit before taxation	160,238	233,265
Notional tax on profit before taxation, calculated at the rates applicable to assessable profits in the jurisdictions concerned	26,238	34,144
Withholding taxes outside Hong Kong	21,865	23,204
Tax effect of non-deductible expenses	6,192	13,394
Tax effect of non-taxable income	(13,755)	(13,213)
Tax effect of unused tax losses not recognised	(222)	(3,380)
Tax effect of tax credit arisen from withholding taxes paid under double taxation relief	(21,865)	(23,204)
	18,453	30,945

(c) There is no tax effect relating to the components of the other comprehensive income for the year (2024: \$Nil).

6. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383(1) of Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees \$'000	Salaries and other benefits \$'000	Performance related bonuses \$'000	Retirement scheme contributions \$'000	2025 Total \$'000
Executive directors					
Wang Hongbin	100	1,459	1,369	313	3,241
Yan Zhao	100	1,083	973	251	2,407
Non-executive directors					
Li Xiaomei (note (c))	-	-	-	-	-
Sun Jing (note (d))	-	-	-	-	-
Lim Kian Soon	100	-	-	-	100
Yin Yen-liang	100	-	-	-	100
Fu Zhiheng (note (a))	-	-	-	-	-
Leong Kah Fai Keith	100	-	-	-	100
Tseng Ta-mon (note (b))	-	-	-	-	-
Independent non-executive directors					
Yim Ka Man	200	-	-	-	200
Lam Sek Kong	200	-	-	-	200
Cui Ligu	200	-	-	-	200
Meng Xingguo	200	-	-	-	200
	1,300	2,542	2,342	564	6,748

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

6. DIRECTORS' EMOLUMENTS (Continued)

	Directors' fees \$'000	Salaries and other benefits \$'000	Performance related bonuses \$'000	Retirement scheme contributions \$'000	2024 Total \$'000
Executive directors					
Wang Hongbin	100	1,465	1,550	313	3,428
Yan Zhao	100	1,089	1,143	251	2,583
Non-executive directors					
Li Xiaomei (note (c))	-	-	-	-	-
Sun Jing (note (d))	-	-	-	-	-
Lim Kian Soon	100	-	-	-	100
Lim Seng Kong (resign on 31 March 2024)	25	-	-	-	25
Yin Yen-liang	100	-	-	-	100
Fu Zhiheng (note (a))	-	-	-	-	-
Leong Kah Fai Keith (appointed on 31 March 2024)	75	-	-	-	75
Tseng Ta-mon (note (b))	-	-	-	-	-
Independent non-executive directors					
Yim Ka Man	200	-	-	-	200
Lam Sek Kong	200	-	-	-	200
Cui Ligu	200	-	-	-	200
Meng Xingguo	200	-	-	-	200
	1,300	2,554	2,693	564	7,111

Notes:

- (a) Mr. Fu Zhiheng, a non-executive director, has waived his director's fees for 2025 and 2024.
- (b) Mr. Tseng Ta-mon is an alternate director to Yin Yen-liang. Alternate directors are not entitled to receive any director's fees.
- (c) Ms. Li Xiaomei, a non-executive director, has waived her director's fees for 2025 and 2024.
- (d) Mr. Sun Jing, a non-executive director, has waived his director's fees for 2025 and 2024.

7. EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Of the five highest paid individuals of the Group, there are two directors (2024: two) whose emoluments are disclosed in note 6. The aggregate of emoluments in respect of the other three (2024: three) individuals are as follows:

	2025 \$'000	2024 \$'000
Salaries and other emoluments	2,485	4,994
Performance related bonuses	3,298	3,671
Retirement scheme benefits contributions	385	588
	6,168	9,253

The emoluments of the three (2024: three) individuals with the highest emoluments are within the following bands:

	2025	2024
\$1,000,001 to \$1,500,000	1	–
\$1,500,001 to \$2,000,000	1	–
\$2,000,001 to \$2,500,000	–	–
\$2,500,001 to \$3,000,000	1	2
\$3,000,001 to \$3,500,000	–	1
\$3,500,001 to \$4,000,000	–	–
	3	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

8. DIVIDENDS

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

	2025 \$'000	2024 \$'000
Interim dividend declared and paid of 2.50 cents (2024: 4.50 cents) per ordinary share	23,214	41,786
Final dividend proposed after the end of the reporting period of 6.00 cents (2024: 6.50 cents) per ordinary share	55,715	60,357
	78,929	102,143

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 attributable to the previous financial year, approved and paid during the year

	2025 \$'000	2024 \$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 6.50 cents (2024: 14.50 cents) per ordinary share	60,357	134,643

9. 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 \$141,392,000 (2024: \$205,221,000) and the weighted average of 928,573,000 ordinary shares (2024: 928,573,000 ordinary shares) in issue during the year.

(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 2025 and 2024.

10. 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 around 90% of the Group's revenue, operating results and assets during the years ended 31 December 2025 and 2024 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 two customers with whom transaction have exceeded 10% of the Group's revenue (2024: one). For the year ended 31 December 2025, revenue of \$315,613,000 (2024: \$229,111,000) was derived from these customers 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 year ended 31 December 2025 were \$139,865,000, \$342,783,000, \$168,917,000, and \$87,527,000 respectively (2024: \$136,785,000, \$341,808,000, \$212,024,000, and \$94,033,000 respectively).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

11. PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

	Land and buildings \$'000	Leasehold improvements \$'000	Furniture and equipment, motor vehicles, and computer equipment \$'000	Communication satellite equipment \$'000	Communication satellites \$'000	Data centre equipment \$'000	Right-of-use assets \$'000	Construction in progress \$'000	Total \$'000
Cost:									
At 1 January 2024	117,107	77,679	56,770	287,690	6,205,377	20,393	385,613	20,732	7,171,361
Additions	-	456	560	523	-	-	9,172	38,022	48,733
Disposal	-	-	(1,803)	(254)	-	-	(7,116)	-	(9,173)
Business combination (note 35)	33,764	-	377	70,819	-	-	7,725	-	112,685
Settlement of pre-existing relationship (note 35(c))	-	-	-	-	-	-	(176,741)	-	(176,741)
Exchange adjustments	(588)	(26)	35	1,434	-	-	80	-	935
At 31 December 2024	150,283	78,109	55,939	360,212	6,205,377	20,393	218,733	58,754	7,147,800
At 1 January 2025	150,283	78,109	55,939	360,212	6,205,377	20,393	218,733	58,754	7,147,800
Additions	2,202	-	1,223	4,358	-	-	2,082	39,235	49,100
Written off	-	(24)	(182)	(5,423)	-	(5,689)	(24,267)	-	(35,585)
Exchange adjustments	1,616	39	126	2,448	-	-	104	(64)	4,269
At 31 December 2025	154,101	78,124	57,106	361,595	6,205,377	14,704	196,652	97,925	7,165,584
Accumulated depreciation and impairment:									
At 1 January 2024	61,824	23,561	55,507	171,750	2,845,386	19,358	96,873	-	3,274,259
Charge for the year	2,429	2,403	975	20,129	351,499	621	31,908	-	409,964
Settlement of pre-existing relationship (note 35(c))	-	-	-	-	-	-	(35,517)	-	(35,517)
Disposal	-	-	(1,731)	(254)	-	-	(7,116)	-	(9,101)
Exchange adjustments	19	(26)	(57)	353	-	-	129	-	418
At 31 December 2024	64,272	25,938	54,694	191,978	3,196,885	19,979	86,277	-	3,640,023
At 1 January 2025	64,272	25,938	54,694	191,978	3,196,885	19,979	86,277	-	3,640,023
Charge for the year	2,828	2,332	389	25,731	351,499	325	19,162	-	402,266
Written off	-	(4)	(182)	(2,566)	-	(5,640)	(24,267)	-	(32,659)
Exchange adjustments	7	39	99	476	-	-	140	-	761
At 31 December 2025	67,107	28,305	55,000	215,619	3,548,384	14,664	81,312	-	4,010,391
Net book value:									
At 31 December 2025	86,994	49,819	2,106	145,976	2,656,993	40	115,340	97,925	3,155,193
At 31 December 2024	86,011	52,171	1,245	168,234	3,008,492	414	132,456	58,754	3,507,777

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Leased assets

The analysis of the net book value of leased assets by class of underlying asset is as follows. All of the leased assets are carried at depreciated cost.

	Notes	2025 \$'000	2024 \$'000
Right-of-use assets			
– Communication satellite equipment	(i)	115,340	132,455
Land and buildings held for own use, with medium-term leases in Hong Kong	(ii)	50,491	52,889
Communication satellite	(iii)	661,210	706,279
		827,041	891,623

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Notes	2025 \$'000	2024 \$'000
Depreciation charge of leased assets by class of underlying asset:			
Right-of-use assets			
– Communication satellite equipment		19,162	31,908
Land and buildings held for own use, with medium-term leases in Hong Kong		2,828	2,394
Communication satellite		45,069	45,069
		67,059	79,371
Interest on lease liabilities (note 4(b))		4,106	5,056
Expense relating to short-term leases (note 4(d))	(iv)	56,372	12,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Leased assets (Continued)

During the year, the Group entered into a number of tenancy contracts for new communication satellite equipment, which contributed to the additions to right-of-use assets of \$2,082,000 (2024: \$9,172,000). This amount primarily related to the capitalised lease payments payable under new tenancy agreements of \$Nil (2024: \$5,272,000) upon lease commencement and transfer of lease prepayments from non-current prepayments of \$2,082,000 (2024: \$3,900,000) upon lease commencement.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 20(d) and 24 respectively.

(i) Communication satellite equipment

The Group leases several communication satellite equipment for a period of 1.5 to 15 years and rentals are fixed for the whole lease term. None of the leases include variable lease payments.

(ii) Land and buildings held for own use

The Group leases several industrial buildings and staff quarters for a period from 10 to 50 years in Hong Kong with carrying values amounted to \$50,491,000 (2024: \$52,889,000). The relevant right-of-use asset balance is included in the class of "land and buildings held for own use" in the reconciliation of the carrying amounts as set out in note 11(a). None of the leases include variable lease payments. The Group also have a freehold land and building with carrying values amounted to \$36,503,000 (2024: \$33,122,000) in overseas as at 31 December 2025.

(iii) Communication satellite

The Group has obtained the right to use the communication satellite APSTAR-5C for 21 years. A lump sum upfront payment was made to acquire the right. The relevant right-of-use asset balance is included in the class of "communication satellites" in the reconciliation of the carrying amounts as set out in note 11(a). The lease does not include variable lease payments.

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Leased assets (Continued)

(iv) Short-term leases

In addition to the portfolio of short-term leases for land and buildings and equipment, and satellite transponder capacity which are regularly entered into by the Group, the Group entered into several short-term leases for land and buildings and equipment, and satellite transponder capacity during the year ended 31 December 2025. As at 31 December 2025, the outstanding lease commitments relating to the land and buildings and equipment, and satellite transponder capacity is \$2,312,000.

The Group did not commit at 31 December 2025 to enter into any new lease that is not yet commenced. There are no restrictions or covenants on the Group's lease.

(c) Additions to construction in progress

During the year, additions to construction in progress were \$39,235,000 (2024: \$38,022,000). This amount primarily related to land and buildings which are under construction in Hong Kong.

12. INVESTMENT PROPERTIES

The investment properties were revalued at 31 December 2025 at \$7,787,000 (2024: \$8,053,000) 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 Colliers International (Hong Kong) 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 \$457,000 (2024: \$631,000) and an exchange gain of \$191,000 (2024: exchange loss of \$143,000) has been recognised in profit or loss for the year. See note 28(e) for details on fair value measurement.

The investment properties, situated in Mainland China under medium term leases, are rented out under operating leases and the rental income earned from the investment properties since September 2025 was \$29,000 (2024: \$21,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

12. INVESTMENT PROPERTIES (Continued)

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 \$'000	2024 \$'000
Within 1 year	–	311

13. INTANGIBLE ASSETS

	Notes	2025 \$'000	2024 \$'000
Orbital slot	(i)	133,585	133,585
Leased intangible assets – orbital slots	(ii)	118,111	126,847
		251,696	260,432

Notes:

(i) 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.

No impairment of the intangible asset was recorded as at 31 December 2025 and 2024.

The recoverable amount of the intangible asset is estimated based on value-in-use calculations. These calculations use cash flow projection based on budget and business plan approved by management for the year ending 31 December 2026. Cash flows beyond 2025 are extrapolated based on revenue from committed service agreements for the provision of satellite transponder capacity and projected at growth rates of 2.5% which are generally expected for the industry and achievable by the Group during the forecast period. The discount rate used for the cash flow projection is 12.82% (2024: 13.74%), which is pre-tax and reflects specific risks relating to the relevant cash-generating unit that the intangible asset belongs to.

13. INTANGIBLE ASSETS (Continued)

Notes: (Continued)

(ii) Leased intangible assets

	Orbital slots \$'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>179,263</u>
Accumulated amortisation:	
At 1 January 2024	43,680
Charge for the year	<u>8,736</u>
At 31 December 2024	<u>52,416</u>
At 1 January 2025	52,416
Charge for the year	<u>8,736</u>
At 31 December 2025	<u>61,152</u>
Net book value:	
At 31 December 2025	<u><u>118,111</u></u>
At 31 December 2024	<u><u>126,847</u></u>

The amortisation charge for the year is included in “cost of services” in the consolidated statement of profit or loss.

The Group has obtained the rights to use two orbital slots in 2014 for 25 years. Lump sum upfront payments were made to acquire the rights. The relevant right-of-use asset balances are included in intangible assets. None of the leases includes variable lease payments.

14. 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 (“PRC”). The total registered capital of APT Mobile is RMB2,000 million (equivalent to \$2,454 million), of which the Group has contributed RMB600 million (equivalent to \$736 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

14. INVESTMENTS IN ASSOCIATES (Continued)

The principal activities of APT Mobile are the construction and development of global high-throughput satellite communication system. As at 31 December 2025, APT Mobile 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 consolidated financial statements.

On 31 August 2022, 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. As at 31 December 2025, APSTAR Alliance 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 consolidated financial statements.

Summarised financial information of APT Mobile, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	2025 \$'000	2024 \$'000
Gross amounts of the associate's		
Current assets	493,733	425,422
Non-current assets	4,941,274	5,040,077
Current liabilities	(1,046,628)	(1,565,272)
Non-current liabilities	(2,558,965)	(2,141,926)
Equity	1,829,414	1,758,301
Revenue	528,324	628,604
Profit/(loss) from continuing operations	17,990	(187,290)
Other comprehensive income	345	(28,903)
Total comprehensive income	18,335	(216,193)
Reconciled to the Group's interest in an associate		
Gross amount of net assets of the associate	1,829,414	1,758,301
Group's effective interest	30	30
Group's share of net assets of associate	548,824	527,491
Adjustment in relation to the Group's share of unrealised gain for the transactions contributed by the Group	(16,753)	(18,483)
Carrying amount in the consolidated financial statements	532,071	509,008

14. INVESTMENTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material:

	2025 \$'000	2024 \$'000
Carrying amount in the consolidated financial statements	17,014	42,830
Group's share of loss of the associates	(24,007)	(2,472)

15. 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. Subsequently, during the year ended 31 December 2024, the Group disposed the entire investment in the listed shares of Tsun Yip at a fair value of \$1,133,000 based on the market price at the date of disposal, with fair value gain of \$1,133,000 recognised in profit or loss. There was no fair value gain on financial assets measured at fair value through profit or loss for the year ended 31 December 2025 (2024: \$1,133,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

16. INVESTMENTS IN SUBSIDIARIES

The following list contains the particulars of principal subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation/ establishment/ operation*	Particulars of issued and paid up capital	Proportion of ownership interest**			Principal activities
			Group's effective interest	held by the Company	held by the subsidiary	
APT Satellite Company Limited	Hong Kong	Ordinary Class "A" \$100; Non-voting Deferred Class "B" \$542,500,000	100%	100%	-	Provision of satellite transponder capacity
APT Satellite TV Development Limited	Hong Kong	\$2	100%	100%	-	Provision of satellite television programmer services
APT Datamatrix Limited	Hong Kong	\$40,000,002	100%	-	100%	Provision of data centre services
APT Telecom Services Limited	Hong Kong	\$2	100%	-	100%	Provision of telecommunication services
亞太衛星通信(深圳)有限公司	Wholly-owned foreign enterprises, PRC	Registered capital \$713,000,000	100%	-	100%	Provision of satellite transponder capacity
Middle East Satellite FZE	Ras Al Khaimah Free Trade Zone, United Arab Emirates	AED300,000	100%	-	100%	Management and project management consultancy
Gateway Telecom Investment Co., Limited	Hong Kong	\$1,000	100%	-	100%	Investment holding
PT Gateway Network Services	Indonesia	10,000,000,000 Saham	100%	-	100%	Provision of satellite telecommunication services
Satcom Gateway Services SDN BHD ("SGS")	Malaysia	MYR 1,000,000	35%***	-	35%***	Provision of satellite telecommunication services

* The place of operation is the place of incorporation/establishment unless otherwise stated.

** For 2025, except for the acquisition of 35% equity interests in PT Gateway Network Services from non-controlling interests, there is no change in the proportion of ownership interests held by the Group. For 2024, except for the business combination acquiring Gateway Telecom Investment Co., Limited and its subsidiaries as detailed in note 35, there is no change in the proportion of ownership interest held by the Group.

*** Under certain contractual agreement with the non-controlling interests of SGS, the Company controlled SGS by way of controlling the voting rights, governing its financial and operating policies, appointing or removing the majority of the directors in board. As a result, SGS is treated as the subsidiary of the Company and its financial results have been consolidated by the Company.

17. TRADE RECEIVABLES, NET

	2025 \$'000	2024 \$'000
Due from third parties	32,909	30,025
Due from fellow subsidiaries	143,603	109,697
Due from associates and a subsidiary of an associate	24,758	7,652
Due from a related party	87	90
	201,357	147,464

The trade receivables are expected to be recovered within one year from the end of the reporting period.

Ageing analysis

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:

	2025 \$'000	2024 \$'000
Within 30 days	132,899	126,368
31 – 60 days	23,409	2,176
61 – 90 days	2,478	2,126
91 – 120 days	3,355	248
Over 120 days	39,216	16,546
	201,357	147,464

The Group normally allows a credit period of 30 days from the date of revenue recognition to its trade customers. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 28(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

18. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 \$'000	2024 \$'000
Deposits	3,509	1,561
Prepayments	22,290	11,043
Interest receivables	7,778	21,860
Other receivables (net of allowance of \$7,196,000 (2024: \$11,572,000))	6,248	3,685
	39,825	38,149

Other receivables have no fixed repayment terms and are expected to be recovered within one year from the end of the reporting period. Further details on the Group's policy on credit risk assessment arising from other receivables are set out in note 28(a).

19. PLEDGED ASSETS

At 31 December 2025, 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 \$2,444,000 (2024: \$2,560,000).

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 \$'000	2024 \$'000
Deposits with banks and other financial institutions with original maturity less than 3 months	23,000	–
Cash at bank and on hand	383,712	465,893
Cash and cash equivalents in the consolidated statement of financial position and consolidated cash flow statement	406,712	465,893

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

	2025 \$'000	2024 \$'000
Profit before taxation	160,238	233,265
Adjustments for:		
• Depreciation	402,266	409,964
• Amortisation	8,736	8,736
• Loss on written off of property, plant and equipment	2,926	–
• Loss on disposal of property, plant and equipment	–	30
• Valuation loss on investment properties	457	631
• Gain on bargain purchase on acquisition of subsidiaries	–	(1,096)
• Fair value changes on financial assets measured at fair value through profit or loss	–	(1,133)
• Interest income	(83,364)	(108,786)
• Finance costs	4,106	5,056
• Provision on impairment loss on trade and other receivables	1,069	275
• Share of loss of associates	18,610	57,714
• Foreign exchange (gain)/loss	(4,304)	1,755
Operating profit before changes in working capital	510,740	606,411
Increase in trade receivables, net	(53,764)	(20,583)
(Increase)/decrease in deposits, prepayments and other receivables	(16,134)	223
Increase/(decrease) in payables and accrued charges	13,960	(15,834)
Decrease in deferred income	(42,761)	(4,783)
Decrease in deposits received	(1,648)	(10,316)
Cash generated from operations	410,393	555,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Dividend payable	Lease liabilities (note 24)
	\$'000	\$'000
At 1 January 2025	14,580	111,318
Changes from financing cash flows:		
Capital element of lease rentals paid	–	(24,973)
Interest element of lease rentals paid	–	(4,106)
Dividends paid to equity shareholders of the Company	(82,062)	–
Total changes from financing cash flows	(82,062)	(29,079)
Other changes:		
Increase in lease liabilities from entering into new leases during the year	–	2,082
Interest expenses (note 4(b))	–	4,106
Dividend approved in respect of the previous year (note 8(ii))	60,357	–
Dividend declared in respect of the current year (note 8(i))	23,214	–
Exchange adjustments	–	(5,784)
Total other changes	83,571	404
At 31 December 2025	16,089	82,643

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Dividend payable \$'000	Lease liabilities (note 24) \$'000
At 1 January 2024	12,015	146,943
Changes from financing cash flows:		
Capital element of lease rentals paid	–	(31,930)
Interest element of lease rentals paid	–	(5,056)
Dividends paid to equity shareholders of the Company	(173,864)	–
Total changes from financing cash flows	(173,864)	(36,986)
Other changes:		
Increase in lease liabilities from entering into new leases during the year	–	5,272
Interest expenses (note 4(b))	–	5,056
Dividend approved in respect of the previous year (note 8(ii))	134,643	–
Dividend declared in respect of the current year (note 8(i))	41,786	–
Assumed under business combination (note 35)	–	9,223
Settlement of pre-existing relationship (note 35(c))	–	(27,792)
Exchange adjustments	–	9,602
Total other changes	176,429	1,361
At 31 December 2024	14,580	111,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2025 \$'000	2024 \$'000
Within operating cash flows	56,372	12,870
Within financing cash flows	29,079	36,986
	85,451	49,856

These amounts relate to the following:

	2025 \$'000	2024 \$'000
Lease rentals paid	85,451	49,856

21. PAYABLES AND ACCRUED CHARGES

	Note	2025 \$'000	2024 \$'000
Trade payables		4,621	3,835
Accrued charges	(i)	81,624	61,180
		86,245	65,015

As at 31 December 2025 and 2024, the trade payables were aged within 3 months based on due date.

21. PAYABLES AND ACCRUED CHARGES (Continued)

(i) Accrued charges represents:

	2025 \$'000	2024 \$'000
Other accruals and payables	41,885	28,677
Financial guarantee issued (<i>note</i>)	9,788	2,355
Provision for staff salary	26,738	23,618
Provision for directors' remuneration	–	4,377
Other tax payables	3,213	2,153
	81,624	61,180

Note: 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) (2024: US\$116,900,000) made available by the Bank 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 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 31 December 2025, APSTAR Alliance had drawn down a principal amount of the buyer credit loan amounting to RMB805,968,000 (equivalent to \$896,615,000) with accrued interest of RMB12,407,000 (equivalent to \$13,802,000). At 31 December 2025, financial guarantee liability of \$9,788,000 (2024: \$2,355,000) was recognised in “other payables” in the consolidated statement of financial position. The maximum amount of the financial guarantee liability of the Group as at 31 December 2025 is RMB163,675,000 (equivalent to \$182,084,000).

22. DEPOSITS RECEIVED

The amount represents refundable deposits received from the customers in respect of the provision of satellite transponder capacity, satellite-based broadcasting and telecommunications services, and other satellite-related services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

23. DEFERRED INCOME

The balance of deferred income represents unrecognised revenue in respect of payments received in advance for the provision of transponder utilisation services and related services. Deferred income is recognised in profit or loss according to the revenue recognition policy for transponder utilisation income and related services as set out in note 1(r)(i) to (iii). Deferred income, which is expected to be realised within the Group's normal operating cycle, considered to be one year, are classified as current liabilities in the consolidated statement of financial position based on the Group's earliest obligation to transfer the services to the customers.

Movements in deferred income

	2025 \$'000	2024 \$'000
Balance as at 1 January	120,550	125,417
Increase in deferred income as a result of received in advance	226,345	200,038
Decrease in deferred income as a result of recognising revenue during the year		
– the amount was included in deferred income at the beginning of the year	(84,738)	(76,430)
– the amount was included in deferred income during the year	(184,411)	(128,397)
– Exchange adjustments	55	(78)
Balance as at 31 December	77,801	120,550
Categorised as:		
Current portion	42,286	60,116
Non-current portion	35,515	60,434
	77,801	120,550

24. LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 \$'000	2024 \$'000
Within 1 year	23,948	31,430
More than 1 year but less than 2 years	22,757	22,476
More than 2 years but less than 5 years	18,977	37,035
More than 5 years	16,961	20,377
	58,695	79,888
	82,643	111,318

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2025 \$'000	2024 \$'000
Prepaid for Hong Kong Profits Tax	(7,519)	(5,432)
Provision for taxation outside Hong Kong	54,246	48,912
	46,727	43,480

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax liabilities/(assets) recognised

The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Depreciation allowances in excess of related depreciation \$'000	Other temporary differences \$'000	Total \$'000
Deferred tax arising from:			
At 1 January 2025	497,835	(2,487)	495,348
(Credited)/charged to profit or loss (note 5(a))	(53,324)	1,701	(51,623)
At 31 December 2025	444,511	(786)	443,725
At 1 January 2024	550,294	(3,717)	546,577
(Credited)/charged to profit or loss (note 5(a))	(52,459)	1,230	(51,229)
At 31 December 2024	497,835	(2,487)	495,348
		2025	2024
		\$'000	\$'000
Represented by:			
Deferred tax assets		(746)	(136)
Deferred tax liabilities		444,471	495,484
		443,725	495,348

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of estimated tax losses of \$57,205,000 (2024: \$58,757,000) and other deductible temporary differences of \$3,495,000 (2024: \$3,156,000) as the utilisation of these tax losses and temporary differences is considered to be less than probable. The tax losses do not expire under current tax legislation.

26. SHARE CAPITAL

(a) Movements in components of equity

At 31 December 2025, the Company's reserves available for distribution amounted to \$666,754,000 (2024: \$692,293,000) as computed in accordance with the Companies Act 1981 of Bermuda (as amended).

Details of the changes in the Company's individual components of equity between the beginning and the end of the reporting period are set out below:

	The Company				
	Share capital \$'000	Share premium \$'000	Contributed surplus \$'000	Accumulated profits \$'000	Total \$'000
Balance at 1 January 2025	92,857	1,230,581	584,358	107,935	2,015,731
Changes in equity for 2025:					
Profit and total comprehensive income for the year	-	-	-	58,032	58,032
Dividend approved in respect of the previous year (note 8(ii))	-	-	-	(60,357)	(60,357)
Dividend declared in respect of the current year (note 8(i))	-	-	-	(23,214)	(23,214)
Balance at 31 December 2025	92,857	1,230,581	584,358	82,396	1,990,192
Balance at 1 January 2024	92,857	1,230,581	584,358	268,670	2,176,466
Changes in equity for 2024:					
Profit and total comprehensive income for the year	-	-	-	15,694	15,694
Dividend approved in respect of the previous year (note 8(ii))	-	-	-	(134,643)	(134,643)
Dividend declared in respect of the current year (note 8(i))	-	-	-	(41,786)	(41,786)
Balance at 31 December 2024	92,857	1,230,581	584,358	107,935	2,015,731

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

26. SHARE CAPITAL (Continued)

(b) Authorised and issued share capital

	2025		2024	
	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 31 December	928,573	92,857	928,573	92,857

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose, the Group defines net debt as total debt (which includes payables and accrued charges and lease liabilities) less cash and cash equivalents, pledged bank deposits and bank deposits with original maturity beyond 3 months. Adjusted capital comprises all components of equity.

26. SHARE CAPITAL (Continued)

(c) Capital management (Continued)

During the year ended 31 December 2025, the Group's strategy, which remains unchanged from 2024, is to maintain the net debt-to-adjusted capital ratio at a percentage that is below 30%. Pursuant to this strategy, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The Group's adjusted net debt-to-adjusted capital ratio at 31 December 2025 and 2024 was as follows:

	2025 \$'000	2024 \$'000
Current liabilities:		
Payables and accrued charges	86,245	65,015
Lease liabilities	23,948	31,430
	110,193	96,445
Non-current liabilities:		
Lease liabilities	58,695	79,888
Total debt	168,888	176,333
Less: Cash and cash equivalents	(406,712)	(465,893)
Pledged bank deposits	(1,522)	(367)
Bank deposits with original maturity beyond 3 months	(2,326,487)	(1,982,134)
Net cash	(2,565,833)	(2,272,061)
Total equity	6,164,105	6,088,687
Adjusted capital	6,164,105	6,088,687
Net debt-to-adjusted capital ratio	N/A	N/A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

27. RESERVES

(i) Share premium

The application of the share premium account is governed by the Companies Act 1981 of Bermuda (as amended).

(ii) Contributed surplus

The contributed surplus of the Group arose as a result of the Group reorganisation in 1996 and represented the excess of the par value of the shares of the subsidiaries which the Company acquired over the par value of the Company's shares issued in consideration thereof.

The contributed surplus of the Company also arose as a result of the Group reorganisation in 1996 and represented the excess of the value of the subsidiaries acquired over the par value of the Company's shares issued for their acquisition. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of the contributed surplus under certain circumstances.

(iii) Revaluation reserve

Revaluation reserve represents the cumulative increase in fair value of investment properties at the date of reclassification included in the revaluation reserve where other land and buildings are reclassified to investment properties, and will be transferred to accumulated profits upon the retirement and disposal of the relevant properties.

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong. The reserve is dealt with in accordance with the accounting policy adopted in note 1(t).

(v) Other reserves

Other reserves represent various reserves set aside by certain subsidiaries in accordance with the relevant laws and regulations. These reserves are not available for distribution.

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

	2025 \$'000	2024 \$'000
Financial assets		
<i>At amortised cost</i>		
Trade receivables, net	201,357	147,464
Deposits and other receivables	17,535	27,106
Bank deposits with original maturity beyond 3 months	2,326,487	1,982,134
Pledged bank deposits	1,522	367
Cash and cash equivalents	406,712	465,893
	2,953,613	2,622,964
Financial liabilities		
<i>At amortised costs</i>		
Payables and accrued charges	73,244	60,507
Deposits received	25,334	26,982
Dividend payable	16,089	14,580
	114,667	102,069
Lease liabilities	82,643	111,318
Financial guarantee issued	9,788	2,355
	207,098	215,742

Exposure to credit, liquidity, currency and equity price risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The maximum exposure to credit risk is presented by the carrying amount of those financial assets. The Group's credit risk arising from cash and cash equivalents and bank deposits with original maturity beyond 3 months is limited because the counterparties are banks and financial institutions with good credit rating for which the Group considers to have low credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the region in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 60% (2024: 70%) and 77% (2024: 80%) of total trade receivables (net of loss allowance) was due from the Group's largest customer and the five largest customers respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of revenue recognition. Normally, the Group does not obtain collateral from customers and it usually receives trade deposits which represent a quarter/a month of utilisation fees payable to the Group.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which include a specific element based on individual receivables and a collective element calculated using a provision matrix. As the Group's historical credit loss experience indicates different loss patterns for customers in different geographic regions, the loss allowance based on past due status is further distinguished between the Group's different customer bases as follows:

- (i) Greater China (which includes Mainland China, Taiwan, Macau and Hong Kong);
- (ii) Southeast Asia countries; and
- (iii) Other regions.

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The following tables provide information about the Group's exposure to credit risk and ECLs for trade receivables of the Group's different customer bases:

(i) Greater China

	2025		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Assessment on individual basis			
– Third party	100%	2,378	2,378
– Related party	2.5%	172,764	4,402
Assessment on collective basis			
Current (not past due)	1.4%	989	14
Less than 1 month past due	6.0%	1,367	82
1 to 3 months past due	0.0%	–	–
More than 3 months past due	2.8%	119	3
Total		177,617	6,879
	2024		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Assessment on individual basis			
– Third party	100.0%	6,615	6,615
– Related party	0.0%	117,439	–
Assessment on collective basis			
Current (not past due)	0.6%	319	2
Less than 1 month past due	8.4%	1,517	127
1 to 3 months past due	30.1%	120	36
More than 3 months past due	N/A	–	–
Total		126,010	6,780

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

(ii) Southeast Asia countries

	2025		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Assessment on individual basis			
– Third party	100%	11,578	11,578
– Related party	0.0%	87	–
Assessment on collective basis			
Current (not past due)	0.6%	1,178	7
Less than 1 month past due	1.1%	7,375	82
1 to 3 months past due	1.7%	5,890	100
More than 3 months past due	12.7%	11,896	1,514
Total		38,004	13,281
	2024		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Assessment on individual basis			
– Third party	100.0%	12,768	12,768
Assessment on collective basis			
Current (not past due)	0.7%	3,749	27
Less than 1 month past due	1.7%	10,467	176
1 to 3 months past due	2.7%	3,648	99
More than 3 months past due	13.9%	7,098	988
Total		37,730	14,058

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

(iii) Other regions

	2025		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Assessment on individual basis			
– Third party	100%	1,272	1,272
Assessment on collective basis			
Current (not past due)	0.5%	1,656	9
Less than 1 month past due	0.9%	2,308	22
1 to 3 months past due	3.5%	967	33
More than 3 months past due	17.6%	1,249	220
Total		7,452	1,556
	2024		
	Expected loss rate %	Gross carrying amount \$'000	Loss allowance \$'000
Assessment on individual basis			
– Third party	100.0%	1,183	1,183
Assessment on collective basis			
Current (not past due)	0.7%	2,881	20
Less than 1 month past due	1.8%	1,120	21
1 to 3 months past due	9.2%	567	52
More than 3 months past due	27.9%	120	33
Total		5,871	1,309

These rates are adjusted to reflect differences between economic conditions during the period over which the historic data have been collected, current conditions and the Group's view of the economic conditions over the expected lives of the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2025 \$'000	2024 \$'000
Balance at 1 January	22,147	25,097
Amounts written off during the year	(467)	(2,567)
Impairment losses reversed during the year	(129)	(299)
Exchange adjustments	165	(84)
Balance at 31 December	21,716	22,147

Other receivables

Impairment of other receivables are assessed individually and collectively and measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

In order to minimise the credit risk of other receivables, the management would make periodic individual and collective assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operates. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

The gross carrying amount of other receivables by stage is as follows:

	12-month ECLs		Lifetime ECLs		Total \$'000
	Stage 1 \$'000	Stage 2 \$'000	Stage 3 \$'000	Stage 3 \$'000	
At 31 December 2025					
Other receivables	78	–	13,366		13,444
At 31 December 2024					
Other receivables	2,716	–	12,541		15,257

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(a) Credit risk (Continued)

Other receivables (Continued)

Movement in the loss allowance account in respect of other receivables during the year is as follows:

	2025 \$'000	2024 \$'000
Balance at 1 January	11,572	11,091
Impairment losses recognised during the year	1,198	572
Written off	(5,682)	(21)
Exchange adjustments	108	(70)
Balance at 31 December	7,196	11,572

(b) Liquidity risk

The treasury function of the Group is arranged centrally to cover expected cash demands, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, which is subject to approval by the parent company's board. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2025					
	Carrying amount \$'000	Total contractual undiscounted cash flow \$'000	Within 1 year or on demand \$'000	More than 1 year but less than 2 years \$'000	More than 2 years but less than 5 years \$'000	More than 5 years \$'000
Payables and accrued charges	73,244	(73,244)	(73,244)	-	-	-
Deposits received	25,334	(25,334)	-	(24,220)	(1,015)	(99)
Dividend payable	16,089	(16,089)	(16,089)	-	-	-
Lease liabilities	82,643	(93,050)	(27,011)	(24,530)	(23,479)	(18,030)
	197,310	(207,717)	(116,344)	(48,750)	(24,494)	(18,129)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(b) Liquidity risk (Continued)

	2024					
	Carrying amount	Total contractual undiscouted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000
Payables and accrued charges	60,507	(60,507)	(60,507)	-	-	-
Deposits received	26,982	(26,982)	-	(26,278)	(627)	(77)
Dividend payable	14,580	(14,580)	(14,580)	-	-	-
Lease liabilities	111,318	(123,126)	(33,910)	(25,279)	(41,766)	(22,171)
	213,387	(225,195)	(108,997)	(51,557)	(42,393)	(22,248)

The maximum exposure under the financial guarantee contract provided to an associate is RMB163,675,000 (equivalent to \$182,084,000 (2024: \$177,382,000)).

(c) Currency risk

The Group's presentation currency is the Hong Kong Dollar. The Group's revenue, premiums for satellite insurance coverage and debt service and substantially all capital expenditures were denominated in United States Dollars or Renminbi. The Group's remaining expenses were primarily denominated in Hong Kong Dollars.

Given the fact that the exchange rate of United States Dollars and Hong Kong Dollars are currently pegged, management does not expect that there will be any significant currency risk associated with financial statement items denominated in United States Dollars.

The Group has not hedged the foreign currency exposure in relation to financial statement items denominated in Renminbi.

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	Exposure to foreign currencies (expressed in Hong Kong dollars)	
	2025 Renminbi \$'000	2024 Renminbi \$'000
Trade receivables, net	139,080	109,979
Deposits, prepayments and other receivables	131	16,223
Cash and cash equivalents	6,582	185,910
Payables and accrued charges	(5,037)	(43,967)
Financial guarantee	(9,788)	(2,355)
Overall net exposure	130,968	265,790

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit for the year (and accumulated profits) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

	2025		2024	
	Increase/ decrease in foreign exchange rates %	Effect on profit for the year and accumulated profits \$'000	Increase/ decrease in foreign exchange rates %	Effect on profit for the year and accumulated profits \$'000
Renminbi	+/-5%	5,465	+/-5%	11,195

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(c) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on the Group entities' profit for the year measured in the respective functional currencies, translated into Hong Kong Dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2024.

(d) 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

	2025			2024		
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Assets						
Investment properties (note 12)	-	-	7,787	-	-	8,053

28. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (Continued)

(d) Fair values (Continued)

The following table presents the change in level 3 items for the years ended 31 December 2025 and 2024:

	Investment properties <i>(note 12)</i> \$'000	Financial assets at fair value through profit or loss <i>(note 15)</i> \$'000
Balance at 1 January 2025	8,053	–
Fair value change	(457)	–
Exchange adjustments	191	–
Balance at 31 December 2025	7,787	–
Balance at 1 January 2024	8,827	–
Fair value change	(631)	1,133
Disposal	–	(1,133)
Exchange adjustments	(143)	–
Balance at 31 December 2024	8,053	–

During the year ended 31 December 2025 and 2024, there was no transfer 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.

Details required under IFRS/HKFRS 13 in respect of investment properties' Level 3 valuations are not particularly disclosed as the value of investment properties is not considered significant to the Group.

All other financial assets and liabilities are carried at amounts not materially different from their fair values as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

29. COMMITMENTS

At 31 December 2025, the Group had the following outstanding capital commitments not provided for in the consolidated financial statements:

	2025 \$'000	2024 \$'000
Contracted for in respect of acquisition of property, plant and equipment	116,136	125,758

30. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong under the jurisdiction of the Hong Kong Employment Ordinance. Under the scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$30,000 and thereafter contributions are voluntary. Contributions to the scheme vest immediately. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. As at 31 December 2025, there were no forfeited contributions arising from employees leaving the Mandatory Provident Fund Scheme (2024: Nil) which may be used by the Group to reduce the contribution payable.

As stipulated by the regulations of Mainland China, the subsidiaries in Mainland China participate in basic defined contribution pension plans organised by the respective municipal governments under which they are governed. Employees in Mainland China are entitled to retirement benefits equal to a fixed proportion of their salaries at their normal retirement age. The Group has no other material obligation for payment of basic retirement benefits beyond the annual contributions which are calculated at a rate on the salaries, bonuses and certain allowances of employees.

Other than the above, the Group also participates in supplementary defined contribution retirement plans managed by independent insurance company whereby the Group is required to make contributions to the retirement plans at fixed rate of the employees' salary cost or in accordance with the terms of the plan.

31. MATERIAL RELATED PARTY TRANSACTIONS

- (a) Except for those disclosed elsewhere in these consolidated financial statements, the Group entered into the following material transactions with related parties during the year:

	2025 \$'000	2024 \$'000
Income from fellow subsidiaries for providing satellite transponder capacity and satellite-based telecommunication services (<i>note (i)</i>)*	273,181	275,175
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>)	4,651	4,256
Income from an associate for providing satellite transponder capacity and satellite-based telecommunication services (<i>note (i)</i>)*	5,850	6,146
Income from a subsidiary of an associate for providing satellite transponder capacity and satellite-based telecommunication services (<i>note (i)</i>)*	94,667	75,318
Income from an associate for technical support and project management services (<i>note (ii)</i>)*	1,700	3,306
Management fees paid to a fellow subsidiary (<i>note (iii)</i>)	(1,495)	(488)
Expenses to fellow subsidiaries for satellite transponder capacity and satellite-based telecommunication services (<i>note (iv)</i>)*	(19,390)	(8,171)
Expenses to an associate for satellite transponder capacity and satellite-based telecommunication services (<i>note (iv)</i>)*	(395)	(409)
Expenses to a subsidiary of an associate for satellite transponder capacity and satellite-based telecommunication services (<i>note (iv)</i>)*	(11,466)	(10,255)

* These transactions also constitute connected transactions under the Main Board Listing Rules, details of which are set out in the paragraph headed "Connected transactions" in the Directors' Report of the annual report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

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 associates for technical support and project management services, management services or human resource services provided during the year.
- (iii) Management fees were paid to a fellow subsidiary for human resource services received during the year.
- (iv) Transponder capacity services cost was paid to fellow subsidiaries, an associate and a subsidiary of an associate for services received during the year.

- (b) Except for those disclosed elsewhere in these consolidated financial statements, at the end of the reporting period, the Group had the following amounts included in the consolidated statement of financial position in respect of amounts owed by and to related parties:

	Trade receivables, net		Deposits, prepayments and other receivables		Payables and accrued charges		Deferred income	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
A holding company	-	-	-	133	-	-	-	-
Associates	24,741	7,411	1	1	6,278	2,377	115	1,000
A subsidiary of an associate	16	241	10,695	3,037	13,134	6,748	110	95
Fellow subsidiaries	143,603	109,697	341	341	501	355	2,099	2,223
A holding company of a shareholder of the Company	87	90	-	-	-	-	-	-

31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

	2025 \$'000	2024 \$'000
Short-term employee benefits	5,773	9,655
Performance related bonuses	6,133	8,303
Retirement scheme contributions	1,023	1,397
	12,929	19,355

Total remuneration is included in "staff costs" (see note 4(c)).

Emoluments (including retirement scheme contributions) of the key management of the Group fell within the following bands:

	2025 Number of individuals	2024 Number of individuals
\$1,000,001 to \$1,500,000	2	–
\$1,500,001 to \$2,000,000	1	–
\$2,000,001 to \$2,500,000	1	3
\$2,500,001 to \$3,000,000	1	2
\$3,000,001 to \$3,500,000	1	1
\$3,500,001 to \$4,000,000	–	1
	6	7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

32. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Notes	2025 \$'000	2024 \$'000
Non-current asset			
Investments in subsidiaries	16	631,297	631,311
Current assets			
Amounts due from subsidiaries		1,283,563	1,276,389
Prepayment and other receivables		334	–
Dividend receivable		96,507	112,207
Cash and cash equivalents		6,371	16,538
		1,386,775	1,405,134
Current liabilities			
Payables and accrued charges		6,510	5,238
Amounts due to subsidiaries		5,281	896
Dividend payable		16,089	14,580
		27,880	20,714
Net current assets		1,358,895	1,384,420
Net assets		1,990,192	2,015,731
Capital and reserves			
Share capital	26(b)	92,857	92,857
Share premium	27(i)	1,230,581	1,230,581
Contributed surplus	27(ii)	584,358	584,358
Accumulated profits	26(a)	82,396	107,935
Total equity	26(a)	1,990,192	2,015,731

33. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

The Directors consider the immediate parent and ultimate controlling party of the Group as of 31 December 2025 to be APT Satellite International Company Limited which is incorporated in the British Virgin Islands, and China Aerospace Science and Technology Corporation which is a state-owned corporation established in the PRC, respectively. Both entities do not produce financial statements available for public use.

34. ACCOUNTING ESTIMATES AND JUDGMENTS

(a) Key sources of estimation uncertainty

The consolidated financial statements are based on the selection and application of significant accounting policies, which require management to make significant estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the end of the reporting period. Actual results may differ from these estimates under different assumptions or conditions.

Notes 12 and 28(d) contain information about the assumptions and their risk factors relating to the fair value of assets.

(b) Accounting judgment in applying the Group's accounting policies

The following are some of the judgment areas in the application of the Group's accounting policies that currently affect the Group's financial condition and results of operations.

(i) *Impairment of intangible asset with indefinite useful life*

The Group assesses the impairment of intangible asset with indefinite useful life on an annual basis, or whenever events or changes in circumstances indicate that the carrying amount is likely to exceed the recoverable amount. The orbital slot was solely occupied by a satellite of the Group. As the intangible assets generates cash inflows together with this satellite, the Group performs annual impairment assessment of the intangible assets and the satellite together, by comparing the aggregate carrying value of the intangible assets and the satellite against their aggregate recoverable amount, based on the discounted cashflow forecast prepared by management to determine the amount of impairment loss to be recognised, if any. Testing for impairment requires significant subjective judgments by management. Any changes in the estimates used could have a material impact on the calculation of the recoverable amount and result in a different impairment assessment outcome.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

34. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(b) Accounting judgment in applying the Group's accounting policies (Continued)

(ii) Loss allowance of trade receivables

The Group's customers operate in a number of geographical locations, all of them having different credit profiles. The timing of trade receivable settlement can be influenced by geographical norms and the economic environment in which the customers operate.

The Group's loss allowances are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the ageing of the trade receivables and credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date, all of which involve a significant degree of management judgment.

The Group's loss allowances include a specific element based on individual receivables and a collective element based on historical experience adjusted for geographical norms.

Any changes in these factors may have a material impact on the calculation of the loss allowance. For the year ended 31 December 2025, the Group has reversed impairment loss on trade receivables amounting to \$129,000 (2024: \$299,000) in profit or loss.

(iii) Judgment in identifying whether a contract includes a lease – contract for the use of orbital slots

The Group has entered into a contract with an independent third party in 2014 for the use of orbital slots (134E and 138E) for 25-year period. The orbital slots have unique permanent positions in the space which were certified by the relevant international organisations and have its primary intended use to place the satellites for operation. These orbital slots can be used along with a specified number of satellites, in which the model and numbers of satellites are determined by the Group and are not specified in the contract. The Group makes all decisions about the model and numbers of satellites in operating the orbital slots.

34. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(b) Accounting judgment in applying the Group's accounting policies (Continued)

(iii) *Judgment in identifying whether a contract includes a lease – contract for the use of orbital slots (Continued)*

The directors of the Company assessed whether or not the Group has contracted for the rights to substantially all of the capacity of the orbital slots and whether the contract with the independent third party contains a lease. After assessing the forecast usage of unique permanent positions in the space and the requirements under the relevant international organisations over the contract term, the directors of the Company have established that no other party is able to use the designated and specified orbital slots for other purpose during the course of the contract to offer the orbital slots to other parties. Therefore, the Group has the right to obtain substantially all of the economic benefits from the use of these specified orbital slots. As a result, the directors of the Company concluded that the Group has contracted for substantially all of the capacity of the orbital slots and therefore the contract contain a lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

35. BUSINESS COMBINATION

In December 2024, the Group entered into a sale and purchase with an independent third party in respect of the acquisition of 100% equity interest in Gateway Telecom Investment Co., Limited (“GTI”), which is a company incorporated in Hong Kong. GTI and its subsidiaries (collectively, “GTI Group”) are principally engaged in provision of satellite equipment leasing. The Group aims to expand its operation to South-East Asia through this acquisition in Indonesia. The acquisition was completed on 6 December 2024 (the “GTI Acquisition Date”) and has been accounted for as an acquisition of business using acquisition method.

The fair values of the identifiable assets and liabilities of GTI Group as at the GTI Acquisition Date were as follows:

	Fair value \$'000
Property, plant and equipment	112,685
Trade receivables (<i>note (a)</i>)	1,453
Deposits, prepayments and other receivables (<i>note (a)</i>)	11,059
Cash and cash equivalents	4,342
Trade payables	(3,025)
Other payables and accruals	(2,850)
Rental received in advance (<i>note (c)</i>)	(111,221)
Employee benefits obligations	(34)
Lease liabilities	(9,223)
Non-controlling interests	(1,560)
Total identifiable net assets at fair value	1,626
Gain on bargain purchase	(1,096)
Fair value of consideration	530
Purchase consideration	
– Consideration payables	530
Net cash inflows in acquisition	
– Cash and cash equivalents in subsidiaries acquired	4,342

35. BUSINESS COMBINATION (Continued)

Notes:

- (a) The fair value and the gross amount of trade receivables and other receivables amounted to \$1,453,000 and \$4,732,000 respectively. None of these receivables was impaired and it was expected that the full contractual amounts could be collected.
- (b) The Group incurred transaction costs of \$302,000 for the acquisition which have been expensed and recognised as administrative expense in profit or loss for the year.
- (c) The Group and GTI were parties to some lease contracts under which GTI leases the Group with the communication satellite equipment at a fixed lease payment. Under these contracts, there are no stated settlement provisions. This pre-existing relationship was effectively terminated when the Group acquired GTI. No consideration transferred has been attributed to the extinguishment of the lease contracts. The Group derecognised the net carrying amount of right-of-use assets of \$141,224,000, the related lease liabilities of \$27,792,000 and recognised the rental paid in advance refundable from GTI upon the lease termination of \$111,221,000, and the remaining insignificant amount has been included in the consolidated statement of profit or loss. The value of the off-market element of the contracts is considered to be trivial.
- (d) GTI contributed revenue of \$60,000 and net loss of \$4,799,000 to the Group since the GTI Acquisition Date to 31 December 2024. Had the acquisition occurred on 1 January 2024, consolidated revenue and consolidated profit for the year would have been \$784,917,000 and \$191,560,000 respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

36. POSSIBLE IMPACT OF AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

There are a number of standards, amendments to standards, and interpretations which have been issued by the HKICPA that are effective in future accounting periods that the Group has decided not to adopt early.

	Effective for accounting periods beginning on or after
Amendment to the Classification and Measurement of Financial Instruments (Amendments to IFRS/HKFRS 9 Financial Instruments and IFRS/HKFRS 7 Financial Instruments: Disclosures)	1 January 2026
Annual Improvements to IFRS/HKFRS Accounting Standards (Volume 11)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS/HKFRS 9 Financial Instruments and IFRS/HKFRS 7 Financial Instruments: Disclosures)	1 January 2026
Presentation and Disclosure in Financial Statements (IFRS/HKFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosures (IFRS/HKFRS 19)	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS/HKAS 21 The Effects of Changes in Foreign Exchange Rates)	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS/HKFRS 10 and IAS/HKAS 28)	To be determined

IFRS/HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB/HKICPA in April/July 2024 supersedes IAS/HKAS 1 and will result in major consequential amendments to IFRS/HKFRS Accounting Standards including IAS/HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS/HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

36. POSSIBLE IMPACT OF AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025 (Continued)

The adoption of IFRS/HKFRS 19 is optional. IFRS/HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to IFRS/HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

The Group has substantially completed of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a material impact on the consolidated financial statements except for IFRS/HKFRS 18 as disclosed above.

37. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

After the end of the reporting period, the directors declared a final dividend of \$55,715,000. Further details are disclosed in note 8.



FIVE YEARS FINANCIAL SUMMARY

(Expressed in Hong Kong dollars)

RESULTS

For the years ended 31 December

	For the years ended 31 December				
	2021	2022	2023	2024	2025
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	927,807	944,305	833,975	784,650	739,092
Cost of services	(481,411)	(489,255)	(478,410)	(500,521)	(537,233)
Gross profit	446,396	455,050	355,565	284,129	201,859
Other net gains	43,957	8,888	88,461	111,811	96,361
Valuation loss on investment properties	(766)	(558)	(378)	(631)	(457)
Administrative expenses	(120,336)	(109,206)	(99,848)	(100,407)	(114,809)
Profit from operations	369,251	354,174	343,800	294,902	182,954
Fair value changes on financial assets	(425)	(1,983)	–	1,133	–
Finance costs	(6,189)	(7,013)	(5,765)	(5,056)	(4,106)
Share of loss of associates	(43,727)	(57,911)	(59,014)	(57,714)	(18,610)
Profit before taxation	318,910	287,267	279,021	233,265	160,238
Income tax	(55,528)	(55,657)	(41,367)	(30,945)	(18,453)
Profit for the year	263,382	231,610	237,654	202,320	141,785
Profit for the year attributable to:					
Owners of the Company	263,382	231,610	237,654	205,221	141,392
Non-controlling interests	–	–	–	(2,901)	393
	263,382	231,610	237,654	202,320	141,785

ASSETS AND LIABILITIES

	As at 31 December				
	2021	2022	2023	2024	2025
	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	7,295,364	7,126,678	7,085,442	6,966,130	6,943,447
Total liabilities	(1,161,255)	(1,059,855)	(1,004,523)	(877,443)	(779,342)
Non-controlling interests	–	–	–	(770)	(700)
Equity attributable to owners of the Company	6,134,109	6,066,823	6,080,919	6,087,917	6,163,405