

Code of Ethical Business Conduct for all Directors and Employees

The Code of Ethical Business Conduct (the "Code") is applicable to all Directors and Employees of APT Satellite Holdings Limited and its subsidiaries (collectively the "Group").

The objectives of the Code are as follows:

1. to promote honest and ethical business conduct, including the ethical handling of actual or potential conflicts of interest between business and professional relationships;
2. to promote complete, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Group;
3. to provide guidelines on making ethical business decisions in the discharge of their duties;
4. to use the assets, resources, authority, rights, given or delegated by the Group, the principal or the concerned stakeholders as the case may be, effectively, environmentally, properly, carefully, reasonably and merely for the purposes so authorized; and
5. to promote compliance with applicable laws, rules and regulations.

To achieve the foregoing objectives, the Group demands and expects all Directors¹ and Employees² to conduct or expand businesses of the Group in a fair, just and ethical manner, and in full compliance with all applicable laws, rules and regulations, as well as all relevant internal policies and procedures.

The Essential Ethical Business Conducts include:

Prevention of Corruption and Bribery

The Group prohibits all forms of bribery and corruption. Directors and Employees are prohibited from soliciting, accepting or offering any bribe in conducting the Group's business or affairs, whether in Hong Kong or elsewhere. In conducting all business or affairs of the Group, they must not in breach of fiduciary duties as listed below:

¹ Directors mean any and all members of the directors of APT Satellite Holdings Limited or each subsidiaries

² Employees mean full time, part time or temporary employees of the Group.

- (a) NOT TO solicit, accept advantage from a third party conferred because of position, authority and power

Directors and Employees (i) must not use his position to solicit, receive, directly or indirectly, an advantage for himself/herself, or someone else, without reporting or notifying the Group, or (ii) must not accept any advantage from a third party with an intention of bribery, which is conferred because of the position as an officer or responsible officer of the Group, or authority or powers he/she has, for exercising of his/her power to do something, which is dishonest, illegal or a breach of trust in conducting the Group's business.

- (b) NOT TO make offer any improper advantage

Directors and Employees should avoid offering advantages, directly or indirectly or through a third party, to any director, staff member or agent of another company or entity or any governmental departments or public offices without the due approval process and permission from the Group.

Any entertainments, which may be deemed to be unethical or contravening social morality, should be avoided. The policies that business activities be conducted in a diligent and thrift manner and the interest of the Group be maximized shall be adopted.

- (c) NOT TO make unauthorized use of the Group's property or information

Directors and Employees must be banned from (a) taking for themselves personal opportunities that are discovered through the use of the Group's property, information, intellectual property or position; (b) using the Group's property, information, intellectual property or position for personal gain; and (c) competing with the Group or inflicting damages to the Group.

Avoiding Conflict of Interests

Directors and Employees should avoid any conflict of interest situation (i.e. situation where their private interest conflicts with the overall interest of the Group), or the existence of any potential of such conflicts.

Prompt and early disclosure to the Chairman of the Board of the Group or the Chairman of the Audit and Risk Management Committee must be made when any situation that the personal interests of Directors or Employees would be in conflict (or probably to be in conflict) with the interest of the Group. When actual or potential conflict of interest arises, Directors and Employees should make a declaration to Chairman of the Audit and Risk Management Committee/Group Secretary using Form in Annex 1.

Keeping Confidentiality

Directors and Employees must maintain the confidentiality of information entrusted to them by the Group or its customers except when disclosure is authorized or legally mandated. Confidential information includes but not limited to all non-public information which is related to the Group.

Special care should also be taken in the use of any personal data, including personal data of Directors and Employees or any stakeholders or relevant parties, to ensure compliance with Hong Kong's Personal Data (Privacy) Ordinance Cap. 486.

Compliance with laws, rules and regulations

Directors and Employees shall comply with applicable laws, rules and regulations, Directors shall formulate and maintain such policy which requires all Employees to proactively comply with all applicable laws, rules and regulations.³

Encouraging the reporting of any illegal or unethical behavior

Directors and Employees shall actively promote ethical business behavior and report to the Chairman of the Board or the Chairman of the Audit and Risk Management Committee for any violation or suspected violation of laws, rules, regulations or the Code. Directors shall continuously (i) encourage Employees to raise their concerns on any irregularities; or (ii) report violations of laws, rules, regulations or the Code to supervisors, managers, internal auditors, external auditors, the Chairman of the Audit and Risk Management Committee of the Group, or external regulators or enforcement, as appropriate. Directors shall establish and maintain an effective whistle-blower protection policy that the Group does not allow any retaliation or ill-treatment of whistle-blowers who have raised their concerns or made whistleblowing reports in good faith. Employees should be informed and assured that the Group has set up such a policy and has determination to protect whistle-blowers, for details, please refer to the "Whistleblower Protection Policy".

Reporting and Accountability

If the reporting issue of the Group is considered by the Audit and Risk Management Committee to be in breach of the Code, the Group shall take immediate actions including but not limited to, make further reporting to the appropriate authorities, timely disclosure, undertake investigation and/or preventive measures, as the Board of directors thinks fit and appropriate having regard to the recommendation made by the Audit and Risk Management Committee.

³ including insider dealing section 270(1) and 290 of the Securities and Futures Ordinance (Cap 571) in Hong Kong, Hong Kong Main Board Listing rules, Hong Kong Company Ordinance, Hong Kong Anti-bribery Laws, Copyright Ordinance, applicable environmental legislation and Environmental, Social and Governance report under Listing Rules. etc.

If any waiver from a provision of the Code is made after consultation with the Audit and Risk Management Committee of the Group, such a waiver shall be disclosed in the Group's Annual Report.

Records, Accounts and Other Documents

Directors and Employees must ensure that all records, receipts, accounts, duplicated copies or other documents they submit to the Group give a true representation of the facts, events or business transactions as shown in the documents. Intentional use of Group's documents containing false or misleading information for deceiving or misleading others may constitute an offence under the law, rules and regulations, regardless of whether there is any gain or advantage involved.

Relationship with Suppliers, Contractors and Customers

Gambling

Directors and Employees are advised not to engage in gambling activities with persons having business dealings with the Group.

Loans

Directors and Employees are advised to maintain a healthy financial situation and refrain from borrowing unless it is for genuine purposes and conducted through proper licensed banks. Directors and Employees shall refrain from accepting any loan from, or through the assistance of, any individual or organization having business dealings with the Group.

Directors and Employees must deal fairly with the Group's stakeholders including customers and suppliers. None should take unfair advantage against anyone through manipulation, malpractices in an unfair or unethical manner. Dealings must be done in accordance with the relevant internal control, risk management or other relevant policies and/or procedures of the Group.

Compliance with the Code and Disciplinary Action

It is the responsibility of all Directors and Employees of the Group to understand and comply with this Code, whether performing his/her duties of the Group in or outside Hong Kong. Managers and supervisors should also ensure that the staff under their supervision understand well and comply with this Code.

Given this Code is not designed to cover all the scenarios or situation that might happen, Directors and Employees are therefore strongly advised to make enquiry with the internal auditor or Group Secretary, whenever he/she is in doubt.

Directors and Employees are also advised from time to time to observe and comply with all other policies and procedures of the Group which are not part of the Code.



亞太衛星控股有限公司

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The purpose of the Code is to set out the minimum level of ethical business standard in the conduction of Group's business and operation. The Group expects that all Directors and Employees perform a better level of ethical business standard without reservation. In the event of violation, such misconduct may have already been contravened a law or regulations. Under such situation, the Group will take whatever appropriate actions in accordance with the relevant law or regulations. Any breach of the Code or contravention of laws and regulations, if any, shall be recorded and documented fairly, accurately and completely in Group's records which will be taken into consideration and having effect on performance payment, discretionary bonuses, merit raises and renewal of fixed term contracts. The Group shall treat such breach as a breach of employment contract which may result in disciplinary action including termination of employment.

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APT Satellite Holdings Limited (「GROUP」) DECLARATION OF CONFLICT OF INTEREST

Part A – Declaration *(To be completed by Declaring Staff)*

To : (Approving Authority) via (supervisor of the Declaring Staff)

I would like to report the following actual/potential* conflict of interest situation arising during the discharge of my official duties:-

Persons/companies with whom/which I have official dealings
My relationship with the persons/companies (e.g. relative)
Relationship of the persons/companies with our Group (e.g. supplier)
Brief description of my duties which involved the persons/companies (e.g. handling of tender exercise)

(Date)

(Name of Declaring Staff)
(Title / Department)

Part B – Acknowledgement *(To be completed by Approving Authority)*

To : (Declaring Staff) via (supervisor of the Declaring Staff)

Acknowledgement of Declaration

The information contained in your declaration form of (Date) is noted. It has been decided that:-

- You should refrain from performing or getting involved in performing the work, as described in Part A, which may give rise to a conflict.
- You may continue to handle the work as described in Part A, provided that there is no change in the information declared above, and you must uphold the group's interest without being influenced by your private interest.
- Others (please specify) : _____

(Date)

(Name of Approving Authority)
(Title / Department)

**Delete as appropriate*