

## INSIDE INFORMATION POLICY

### 1. Purpose

This policy aims to set out guidelines to the directors, officers and all relevant employees of APT Satellite Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) to ensure Inside Information (as defined below) of the Company is to be disseminated to the public in fair, equal and timely manner in accordance with the applicable laws and regulations as set out hereunder. The term “relevant employees” refers to employee of the Group, because of his office or employment, who is likely to be in possession of the unpublished Inside Information (as defined below).

### 2. Definition of Inside Information

Under the Part XIVA of the Securities and Future Ordinance, Chapter 571 (the “Part XIVA”) which took effect from 1 January 2013, inside information is defined as the specific information about the Company, its shareholder or officer or its listed securities or derivatives, which is not generally known to the persons who are accustomed, or would be likely, to deal in the Company’s listed securities but would, if generally known to them, be **likely to materially affect the price of the Company’ listed securities**.

Examples of possible Inside Information that could concern as shown in the guidelines of the Part XIVA are set out in the attached Appendix but they are not exhaustive.

### 3. Duty to Announce Inside Information

- (i) The Company and/ or officers must disclose Inside Information, which has come to its knowledge, to the public as soon as reasonably practicable;
- (ii) The Company’s Board of Directors shall take reasonable precautions for preserving the confidentiality of Inside Information and the relevant announcement (if applicable) before publication.
- (iii) Disclosure must be made in a manner that provides the public with an equal, timely and effective access to the information, such as through the electronic publication system operated by The Stock Exchange of Hong Kong Limited.

### 4. Duty to Keep Confidentiality of Insider Information

Not until the inside information is publicly and properly announced by the Company, every director, manager, officers, employees, or any other persons involved in the operation, administration or management of the Company, who are involved in or in a position to have access to Inside Information, must take all reasonable measures or procedure to ensure that proper safeguards exist to prevent a breach of a confidential requirement in relation to the Inside Information of the Company.

All Inside Information must be treated strictly confidential by the relevant employees until it is publicly and properly announced.

## 5. Restriction on Sharing Non-public Information

Generally, no employee or director may disclose, discuss or share with outside parties (except for communication with the Group's advisers who owe a duty of confidentiality, e.g. lawyers, accountants, or consultants and other categories of who are presumed or obligated to keep confidential all Inside Information.

The Company shall also take necessary actions or procedure to procure, require, ensure its agents, consultants, associates, affiliates who/which may access to inside information to be obliged to keep same level of confidentiality.

## 6. Handling of Rumours

There is no obligation to respond to media speculation, market rumours or analysts' reports. However, where press speculation or market rumours are largely accurate and underlying information constitutes Inside Information, it is likely that matters intended to be kept confidential have been leaked, resulting in the safe harbour (as described below) no longer applicable, and public disclosure is required.

Where media speculation or market rumours in relation to certain news, updates, developments, situations of the Group the information content of which is false or inaccurate, and such media speculation or market rumours has established a false market in the stock exchange as from the view under the Listing Rules of the Hong Kong, the Company shall as soon as practicable, make clarification announcement.

If there are rumours or media speculation in the public or in the market, the Board of Directors of the Company shall determinate as soon as possible as to (a) whether the nature of such rumours falls into the category mentioned above, (b) whether a false market has been established, and (c) whether an announcement of inside information or clarification announcement is necessary under the Listing Rules 13.09 and/or SFO. Cap .571 part XIVA.

## 7. Compliance and Reporting

Each of the directors, officers and relevant employees of the Group must promptly bring any Inside Information to the attention of the Company Secretary, who will notify the Board of Director of the Company accordingly for taking the appropriate prompt action.

In the event that there is evidence of any material violation of this policy regarding Inside Information, the Board of Directors of the Company will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding the likelihood of its recurrence.

## 8. Preservation of Confidentiality

All employees and officers must take reasonable care to safeguard the confidentiality in their possession and control, and not disclose to a third party without authorisation of the Company.

All employees and officers should follow the Company's procedures for the secure handling of information that is potentially Inside Information or price sensitive.

More generally, any person with access to Inside Information should be advised to:

- (i) Keep the relevant documents, company presentations and files in a safe place to which access is restricted;
- (ii) Not to discuss such information in public places (or on a mobile phone) where it can be overheard;
- (iii) Where deemed necessary, such information in electronic form must be password-protected; system passwords must be used, kept confidential and changed periodically; and
- (iv) Any person outside the Company who is made privy to such information should be required to sign enforceable confidentiality agreements.

Any employee who comes into knowledge of any breach of disclosure requirement (or a breach of confidentiality of material information) must report the same to his or her supervisor or manager for appropriate action.

## 9. Unintentional Leakage of Inside Information

Director(s) or employee(s) who become aware of any unintentional leakage of Inside Information (no matter such Inside Information has been known as not yet known by the public or the market) , should immediately inform the Company Secretary, who will notify the Board of Director of the Company accordingly. If it is determined that unintentional leakage of inside information occurs, the Company will promptly make an announcement to provide full disclosure to the public.

## 10. Exemption and Wavier to the Disclosure of Inside Information

Disclosure of Inside Information is not required if and so long as the circumstances of the case fall within one of the following safe harbors under the Part XIVA:

- (A) the disclosure is prohibited or restricted by an enactment or a court order;
- (B) the information concerns an incomplete proposal or negotiation (e.g. in the brain-storming stage);
- (C) the information concerned is a trade secret; or
- (D) when the Government's Exchange Fund or central bank provides liquidity support.

Except where disclosure is prohibited by law or court order, all other safe harbours will be applicable only if the Company has taken reasonable precautions for preserving the confidentiality of the information and the confidentiality of the information is **actually** preserved.



亞太衛星控股有限公司

APT SATELLITE HOLDINGS LIMITED

香港新界大埔工業村大貴街22號

22 Dai Kwai Street, Tai Po Industrial Estate, Tai Po, NT, Hong Kong

電話 Tel:(852)2600 2100 傳真 Fax:(852)2522 0419

www.apstar.com

## 11. Continuous Assessment

To ensure compliance with the applicable laws and regulations:

The Directors and/or responsible officers have a duty to continuously assess whether information which he or she receives or gains access to or in possession by virtue of his or her position or office may be considered to be, or is likely to become, Inside Information.

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## Appendix

**The following items, if being likely to materially affect the price of the Company's listed securities, may be classified as Inside Information:**

- Changes in performance, or the expectation of the performance, of the business;
- Changes in financial condition (e.g. cash flow crisis, credit crunch);
- Changes in control and control agreements;
- Changes in directors and (if applicable) supervisors;
- Changes in directors' service contracts;
- Changes in auditors or any other information related to the auditors' activity;
- Changes in the share capital (e.g. new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction);
- Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities;
- Takeovers and mergers;
- Purchase or disposal of equity interests or other major assets or business operations;
- Formation of a joint venture;
- Restructuring, reorganizations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses;
- Decisions concerning buy-back programmes or transactions in other listed financial instruments;
- Changes to the memorandum and articles (or equivalent constitutional documents);
- Filing of winding up petitions, the issuing of winding up orders or the appointment of provisional receivers or liquidators;
- Legal disputes and proceedings;
- Revocation or cancellation of credit lines by one or more banks;
- Changes in value of assets (e.g. advances, loans, debts or other forms of financial assistance);
- Insolvency of relevant debtors;
- Reduction of real properties' values;
- Physical destruction of uninsured goods;
- New licenses, patents, registered trademarks;
- Decrease or increase in value of financial instruments in portfolio which include financial assets or liabilities arising from futures contracts, derivatives, warrants, swaps protective hedges, credit default swaps;
- Decrease in value of patents or rights or intangible assets due to market innovation;
- Receiving acquisition bids for relevant assets;
- Innovation products or processes;
- Changes in expected earnings or losses;
- Orders received from customers, their cancellation or important changes;
- Withdrawal from or entry into new core business areas;
- Changes in the investment policy;
- Changes in the accounting policy;
- Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy;
- Pledge of the Company's shares by controlling shareholders; or
- Changes in a matter which was the subject of a previous announcement.