

CORPORATE DISCLOSURE POLICY AND PROCEDURES

The objective of the Corporate Disclosure Policy Guide is to ensure that all communications to the public are:

- Timely, complete and accurate; and
- Broadly disseminated in accordance with all applicable Canadian legal and regulatory requirements.

The primary targets of this information are current and potential Shareholders, the financial community, the media, government, the public and employees.

This Policy extends to all employees, Officers and consultants of the Company, the Board of Directors and others who are authorized or designated to speak on its behalf. References to the "Company" include all of its subsidiaries.

This Policy applies to all:

- Documents filed with the securities regulators, government agencies or stock exchanges, including the Company's annual and quarterly reports, news releases, letters to Shareholders, presentations by senior management and information contained on the Company's web site and other electronic communications;
- Oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls;
- Other documents and oral statements which would reasonably be expected to affect the market price of the Company's stock

This disclosure policy outlines the Company's approach towards the determination and dissemination of material information, the circumstances under and methods through which the confidentiality of information will be maintained, and restrictions on the trading of the Company's securities. It also provides guidelines designed to achieve consistent disclosure practices across the Company. These are described below:

1. Timeliness of the Announcements

1.1 In addition to the materiality of the information, the timing of the release of an announcement is also crucial. The company must be mindful of the overriding principle that material information must be announced immediately. The company should not delay or defer announcing the material information until issuance of its periodic reports, for instance.

2. Maintaining Confidentiality of Information

2.1 As highlighted in paragraph 1.1, the overriding principle for disclosure of material information is that information which is expected to be material must be announced immediately.

- 2.2 If material information is being withheld, the listed issuer must ensure that confidentiality is maintained at all times to minimise leakage of information. For this purpose, the listed issuer may consider implementing the following measures to maintain confidentiality of information:

Best Practices

(a) Document management

Putting in place better document management by:

- *Using codenames in correspondences and documents to protect identities of parties involved;*
- *Ensuring physical copies of documents are securely stored in locked cabinets when not in use, with access restricted to authorised employees only;*

(b) Secured IT system

Ensuring a secure information technology system for communication and document management purposes. This can be done by:

- *Using private fax lines, dedicated printers and email accounts;*
- *Ensuring confidential documents cannot be accessed through technology such as shared servers;*
- *Keeping confidential information on protected drives and tightly controlling access through password protection and blocking mechanism; and*
- *Installing password protection mechanisms for electronic equipment such as laptops and other storage media containing confidential information, and activating automatic locking system on these equipment after a stipulated period.*

(c) Internal control policies

Putting in place the following internal control policies on confidentiality:

- *Formulating and implementing a code of ethics on confidentiality of information;*
- *Maintaining a list of people (which includes senior management, lawyers, reporting accountant, auditor and investment adviser) involved in the transaction or who are in possession of price sensitive information (“privy list”), and setting out the identity of each person, the reason why the person is on the privy list, and the date on which the privy list was created and updated;*
- *Requiring each person on the privy list to sign a confidentiality agreement;*
- *Regularly reminding all parties involved of the need to keep information strictly confidential;*
- *Providing suitable training on the importance of not disclosing confidential information for employees, particularly those with access to confidential information;*
- *Putting in place policies that restrict dealings in securities by the listed issuer, its office, employees, associates or any other persons connected directly or indirectly with the listed issuer (including advisers, auditors or lawyers) who may have access to price-sensitive information (“insider trading policies”);*
- *Implementing whistle blowing policies that facilitate employees to report misconduct or wrongdoings.*

Note:

The insider trading policies of the company should, among others, include the following:

- i. Expressly stating that persons who are in possession of unreleased material information must not use the information to-*
 - Trade in the company's securities or enter into any agreement to do so*
 - Procure another person to acquire or dispose the company's securities or enter into any agreement to do so; or*
 - Tip any other third party with such information so as to cause that third party to trade in securities or enter into any agreement to do so or to procure another person to acquire or dispose the listed issuer's securities or enter into any agreement to do so;*
- ii. Providing examples as to what sort of information is considered material; and*
- iii. Setting out clearly the consequences of abusing unreleased material information – it must be highlighted that contravention of the prohibition can result in both criminal and civil liabilities.*

3. When Confidentiality Is Not Maintained – Dealing with Leakages

- 3.1 If confidentiality of information is lost or cannot be maintained, the company must immediately announce the information to Bursa Securities.
- 3.2 Loss of confidentiality may be indicated by reference to information in analysts' reports, market rumours, leaks or unusual trading activity/price movement in the listed issuer's securities. Thus, when any of these circumstances occurs, the company must make an immediate announcement of the relevant material information to Bursa Securities.

Guidance

While still negotiations with a counterparty in relation to a material proposal which has not been disclosed, the company should ensure confidentiality is maintained all times and no leakage has occurred prior to the listed issuer making the announcement. At the same time, the company should be vigilant towards any indication of leakage. In this respect, the company should constantly monitor the trading activity, price movement of its securities or any rumours /report pertaining to the proposal, this may be an indication that a leakage pertaining to a material proposal has occurred. In this situation, the company should:

- Undertake an enquiry to ascertain whether a leakage has occurred; and*
- Take the appropriate steps to make an immediate announcement to Bursa Securities if it is confirmed that the proposal is no longer confidential.*

4. Clarification, Confirmation or Denial of Rumours or Reports

- 4.1 Whenever the company becomes aware of a rumour or report, the company should consult with its directors, major shareholders and such other persons familiar with the matter, to ascertain whether-
- a) the rumour or report contains undisclosed material information; and
 - b) immediate disclosure is required to clarify, confirm or deny the rumour or report.
- 4.2 If immediate disclosure is required under the LR, the company must make the appropriate announcement without waiting for a query from Bursa Securities.
- 4.3 If the market reacts to the information even though such information is general in nature, the company must respond through making an appropriate announcement.
- 4.4 Where the information in the articles or report is reasonably specific and has not been previously announced, the company should make an immediate announcement if it finds that such information is material in that-
- a) the information is perceived to have an impact on investment decisions; or
 - b) there is sufficient evidence to show that the movement in the share price and volume of the company's securities relates to the information.
- 4.5 If immediate disclosure is not required under the LR, the company should decide whether to make a voluntary announcement clarifying, confirming or denying the rumour or report. This decision should be made after consulting the board of directors (or persons authorised by the board such as the Chief Executive).
- 4.6 All announcements made must contain sufficient facts to support the clarification, confirmation or denial.

5. Unusual Market Activity ("UMA")

- 5.1 Where there is unusual trading activity or price movement, the company is expected to-
- a) undertake due enquiry with the relevant persons such as its directors, major shareholders and persons familiar with the affairs of the listed issuer, to determine the cause; and
 - b) issue a clarifying announcement.
- This should be undertaken irrespective of whether UMA query is issued by Bursa Securities.
- 5.2 The company should ensure the enquiry or information gathering process is carried out efficiently and the announcement is made on an immediate basis.
- 5.3 The company should avoid making a standard statement in its clarifying announcement or reply to UMA query such as "we have nothing to disclose" or "we are not aware of anything that may give rise to the unusual market activity", merely for convenience or expediency, without undertaking the necessary due diligence. For example, where the reason for the

UMA arises as a result of a proposal that the listed issuer is working on, this must be disclosed.

6. Equal Access to Material Information

6.1 Communicating with parties outside a listed issuer requires careful management particularly where disclosure of information is concerned.

7. Prohibition of Selective Disclosure to Journalists, Analysts and Fund Managers.

7.1 When responding to questions from journalists, analysts and fund Manager, or when commenting on their reports, the company can provide any information, as long as it does not include any undisclosed material information.

7.2 The company must immediately announce to Bursa Securities any non-public material information which has been inadvertently disclosed when responding to questions or when commenting on draft reports from journalists, analysts or fund managers.

7.3 The following sets out the recommended practices when responding to questions or commenting on reports/financial analysis.

Guidance

Responding to questions

- *Avoid disclosing non-public material information.*
- *If a question touches on non-public material information, state that the company is unable to respond or comment at the time and that an appropriate announcement will first be made to Bursa Securities before it responds.*

8. Leveraging Information Technology for Broader Public Dissemination

8.1 In this regard, company should ensure, among other things, that-

- a) there are in place policies and procedures authorising the usage of IT to disseminate material information, and such policies and procedures should also describe how the listed issuer's electronic communication is to be structured, supervised and maintained;
- b) appropriate security measures are in place to maintain integrity of information disseminated using IT; and
- c) the designated person should be responsible for ensuring due compliance with the policies and procedures on electronic communication.

9. Website Guidance

- 9.1 As a minimum, the company should use their websites to disseminate information and enhance their investor relations.
- 9.2 For this purpose, the company should ensure that the contents on its website are useful to its Shareholders. In this regard, the company may be guided by the recommendations set out below.

Best Practises - Contents on Websites

Currently the LR requires the company's website to contain the email address, name(s) of designated person(s) and their contact numbers to enable the public to forward queries.

10. Responsibility for Compliance and Internal Disclosure Controls

- 10.1 Although the disclosure obligations in the LR rest with a company, it is the company's Board of directors, collectively and individually, who is ultimately responsible to ensure that the company is in a position to comply with them.
- 10.2 The Board of directors is ultimately responsible for ensuring that a CCPD is formulated and implemented effectively.

11. Appointment of Designated Person

- 11.1 While the Board of directors is generally responsible for the proper dissemination of information, the actual implementation may be delegated to a specific person. For this purpose, the company should appoint a senior officer to take overall responsibility for ensuring compliance with the disclosure obligations under the LR ("designated person").

GUIDANCE

Key responsibilities of a designated person.

A designated person-

- *Creates awareness amongst directors, management and employees on the CDPP;*
- *Reviews information to be disclosed to ensure compliance with the LR and applicable securities laws (if any), and ensures that the relevant persons such as the board, Chief executive or Chief financial officer verify such information;*
- *Ensures that the relevant approval/authorisation from the board or management as set out in the CCPD is obtained;*
- *Disclosures of ensures that information is disclosed in a timely manner;*
- *Oversees and maintains accurate records of all public disclosure of material information; and*
- *Concerning the listed issuer.*