



## **HCK CAPITAL GROUP BERHAD (484964-H)**

### **CORPORATE DISCLOSURE POLICY**

#### **1. GENERAL STATEMENT OF POLICY**

##### **1.1 Commitment**

The Company is committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Company, its subsidiaries, jointly controlled entities, associates and joint ventures (including trust; partnerships, etc) to the investment communities, the media and the public in an accurate, clear, factual, complete and timely manner in accordance with the corporate disclosure requirements as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Board of Directors (“the Board”) approved this Corporate Disclosure Policy (“the Policy”) on 30 April 2015.

The Policy applies to all Directors, management, officers and employees of the Company and its subsidiaries (“the Group”) with insider knowledge of undisclosed material information. It outlines the Company’s approach toward the determination and dissemination of material information especially price-sensitive information, the circumstances under which confidentiality of the information will be maintained, and restriction on insider trading. It also set out the internal procedural guidelines to facilitate implementation and consistent disclosure practice across the Group.

##### **1.2 Objectives**

The primary objectives of the Policy are: -

- (a) To promote and maintain market integrity and investor confidence.
- (b) To provide equal access to the Company’s material information in an accurate, clear, timely and complete manner and to avoid selective disclosure to the investing public.
- (c) To exercise due diligence such that information disseminated to the investing public will be as far as possible accurate, clear, timely and complete.

- (d) To have in place an efficient procedures for management of information which promotes accountability for the disclosure and dissemination of material information to the investing public.
- (e) To build good investor relations with the investing public based on the principles of trust, honesty, openness, transparency and sound understanding of the Company.
- (f) To provide guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media representatives and the investing public.
- (g) To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information.
- (h) To raise awareness and provide guidance to the Board, management, officers and employees on the Company's disclosure requirements and practices.
- (i) To protect individuals from improperly disclosing sensitive information, which can lead to prosecution under applicable securities laws.

### **1.3 Related Rules & Guidelines**

The Policy takes into consideration primarily the requirements under the Malaysian law:-

- (a) Bursa Securities' Main Market Listing Requirements ("the Listing Requirements").
- (b) Bursa Securities' Corporate Disclosure Guide.
- (c) Securities laws and regulations governing corporate disclosure and confidentiality in relation to securities listed on Bursa Securities.

### **1.4 Application**

The Policy applies to the conduct of Directors, officers, managers and employees of the Company and its subsidiaries with insider knowledge of undisclosed material information and to all methods that the Company uses to communicate with the investing public, including, but not limited to:-

- written statements, Annual Reports, Interim Reports, news releases, letters to shareholders, speeches by senior management, investor presentations, e-mail messages and the Company's internet web page; and
- oral statements, individual or group meetings, telephone conversations, interviews and news conferences.

The Policy does not apply to communication made in the ordinary course of business of the Company and its subsidiaries not involving material information.

## **1.5 Scope**

The Policy gives specific guidance in the following areas:-

- disclosing material information;
- maintaining the confidentiality of information;
- disseminating information;
- responding to market rumour or report;
- disclosing forward-looking information;
- communicating electronically; and
- insider trading.

## **2. POLICY ADMINISTRATION**

### **2.1 Corporate Disclosure Committee**

The Board is ultimately responsible for ensuring that the Policy is implemented effectively and the disclosure requirement as set out are duly fulfilled. The Board delegates the implementation of the Policy to the Corporate Disclosure Committee (“the Committee”).

The Committee will oversee the Company’s corporate disclosure practices and ensure implementation and adherence to this Policy.

The Committee’s responsibilities include:-

- maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments;
- ascertaining whether corporate developments constitute material information and, if so, ensuring procedures outlined in the Policy are implemented to either ensure full and timely disclosure or keep the information confidential;
- developing and implementing procedures to regularly review, update and correct corporate disclosure information, including information on the internet web site;
- bringing this Policy to the attention of the Company’s Directors, management and staff on a regular basis;
- monitoring for compliance with the Policy and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions; and
- reviewing and updating the Policy as necessary and appropriate to ensure compliance with prevailing rules and guidelines.

The Committee consists of the following members:-

- Executive Chairman
- Chief Financial Officer
- Special Assistant to Executive Chairman, Finance & Corporate Strategies
- Senior Manager, Finance & Corporate Strategies
- Senior Manager, Corporate Affairs - Account
- Group Legal Manager
- Company Secretary

The Chief Financial Officer will serve as the primary contact person for the Committee and will engage other Committee members as necessary and appropriate to the matter at hand. In the event of his/her absence, any other member of the Committee can be contacted on matters referenced in this Policy.

## **2.2 Authorised Spokesperson**

The authorised spokesperson for the Company is the Executive Chairman and any other Officers as may be authorised by Executive Chairman.

The authorised spokesperson shall not disclose material information that has not been previously made public. He/she may, from time to time, respond to specific inquiries from the investment community or media.

Employees other than the authorised spokesperson shall not respond to inquiries from the Bursa Securities or Securities Commission or investment community or media unless authorised to do so by the authorised spokesperson. All such queries should be referred to the authorised spokesperson or the Committee.

The Head of Investor Relations Department will be involved in scheduling and developing communications and presentations for all meetings with the investment community and media.

If there is any doubt about the appropriateness of supplying information to an outside party, an employee should contact the authorised spokesperson or the Committee for advice.

## **2.3 Line of Business Responsibilities**

It is essential that the Committee and authorized spokesperson be fully informed of all Company developments that could potentially impact the disclosure process. Consequently, it is the responsibility of corporate and line of businesses in the Company to keep the Committee and spokesperson fully informed of all significant Company developments so as to:-

- facilitate determinations of materiality and appropriateness and timing for public disclosure of the information, or whether the information should remain confidential;

- ensure appropriate understandings of significant developments and updates which may be relevant to ongoing communications with the investing public;
- avoid falling into the trap of denying significant developments when, in fact, such developments are occurring; and
- where required, the Chief Financial Officer shall seek the views from the line of business in the Company and advise the Committee of such views.

### **3. MATERIAL INFORMATION**

#### **3.1 Definition**

Paragraph 9.03 of the Listing Requirements provides that information is considered material, if it is reasonably expected to have a material effect on:-

- the price, value or market activity of any of the Company's securities; or
- the decision of a holder of securities of the Company or an investor in determining his or her choice of action.

The material information may include information which:-

- concerns the Company's property, business, financial conditions or prospects;
- relates to dealings with employees, suppliers, customers and others;
- relates to any event affecting the present or potential dilution of the rights and interests of the Company's securities; or
- relates to any event materially affecting the size of the public holding of its securities.

The following are some examples of events which may require immediate disclosure as set out in Paragraph 9.04 of the Listing Requirements (This is not exhaustive and the Company has to exercise its own judgement in making materiality determination):-

- the entry into a joint venture agreement or merger;
- the acquisition or loss of a contract, franchise or distributorship rights;
- the introduction of a new product or discovery;
- a change in management;
- the borrowing of funds;
- the commencement of or the involvement in litigation and any material development arising from such litigation;
- the commencement of arbitration proceedings involving alternative dispute resolution methods and any material development arising from such proceedings;
- the purchase or sale of an asset;
- a change in capital investment plans;
- the occurrence of a labour dispute or disputes with sub-contracts of suppliers;
- the making of a tender offer for another corporation's securities;

- the occurrence of an events of default on interest, principal payments or both in respect of loans;
- a change in general business direction;
- a change of intellectual property rights;
- the entry into a memorandum of understanding; or
- the entry into any call or put option or financial future contract.

Decisions on the materiality of information will be made within the context of the Company's overall business affairs and dimensions. Such decisions require the exercise of experienced judgment and are the responsibility of the Committee. In cases where such decisions about materiality are not clear-cut and there is doubt as to whether disclosure should be made, the Company will consult with and seek guidance from Bursa Securities.

The Company must immediately announce to Bursa Securities the events as set out in Paragraph 9.19 of the Listing Requirements and as amended from time to time.

The Company must also immediately announce the non-related party transactions, related party transactions and recurrent related party transactions as prescribed under Chapter 10 of the Listing Requirements.

### **3.2 Disclosure**

Where and when information has been determined to be material, the Company will immediately initiate a process to ensure factual, clear, accurate, sufficient, true, balanced, fair and timely disclosure of such information first to Bursa Securities and then to media. This will always apply except in certain circumstances where the Company may temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. These exceptional circumstances include:-

- when immediate disclosure would prejudice the ability of the Company to pursue its corporate objectives;
- when the facts are in a state of flux and a more appropriate moment for disclosure is imminent; and
- where company or securities laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies.

Should non-public material information be disclosed in a selective forum, a full news release will be issued immediately to disclose that information for the investing public.

News releases will be disseminated through a news wire service in compliance with applicable regulatory laws, rules and policies. In addition, the announcement or news release will be made available and accessible on the Company's website.

All announcements will be approved by the Committee before releasing to Bursa Securities. The announcements of the quarterly results will be reviewed by the Chief Financial Officer or his/her designate before authorising by the Committee for releasing to Bursa Securities.

A copy of the announcement or news release will be made accessible on the Company's internet web site.

## **4. CONFIDENTIAL INFORMATION**

### **4.1 Application**

In restricted circumstances, the Company, in consultation with the Committee, may choose to temporarily withhold disclosure of material information where immediate or premature release of the information would be unduly detrimental to the interests of the Company. Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that potential harm to the Company from immediate disclosure will outweigh potential negative consequences from delaying disclosure. In such cases, the Company will keep such information completely confidential for such limited period of time necessary to ensure that the company is not unduly prejudiced or damaged by its release.

### **4.2 Responsibilities & Procedures**

When material information is being withheld, the Company will take the following precautions to keep the information confidential:-

- the information will only be disclosed to the Company's Directors, officers, lawyers or advisors in the necessary course of business, and on a need to know basis;
- if and when the information is disclosed in the necessary course of business, recipients of such information will be educated and regularly reminded of the need to keep it confidential inside and outside the Company; and
- reasonable care will be taken to ensure appropriate security and protection of the information.

These responsibilities and procedures also apply during the period of time when announcements or news releases involving material information are being developed, until the information has been released and disseminated to the investing public.

If, at any time or any circumstance, confidential material information is inadvertently divulged in a way that results in selective disclosure to any individual member of the investing public, the Committee will ensure full and immediate, public disclosure and dissemination.

### **4.3 Unusual Market Activity ("UMA")**

One of the indications of leakage of undisclosed material information is where there is unusual trading activity or price movement in the Company's securities. Such unusual trading activity or price movement (if it cannot be explained by any recent announcement or corporate activity) may signify trading by investors who are acting on unpublished

information or market rumours. If left unchecked, this may mislead uninformed investors, who may presume that the sudden change in share price and trading volume in Company's securities reflects a corresponding change in its business. In such instances, Bursa Securities may issue a written UMA query to the Company to ascertain the case.

Where there is unusual trading activity or price movement, the Company is expected to –

- undertake due enquiry with the relevant persons such as its Directors, major shareholders and persons familiar with the affairs of the Company to determine the cause; and
- issue a clarifying announcement

This should be undertaken irrespective of whether written UMA query is issued by Bursa Securities.

The Company should ensure that the enquiry or information gathering process is carried out efficiently and the announcement is made on an immediate basis.

## **5. DISSEMINATING INFORMATION**

### **5.1 General Application**

The following principles and practices will be applied when disseminating announcement or news release to the investing public:-

- the Company will disseminate announcement or news release publicly in an equitable manner and will strive to respond in a timely manner to all legitimate requests for information;
- the Company will not provide confidential, proprietary or material, non-public information to the investing public, and will deny any requests for same;
- the Company recognizes that discussions and meetings with the investing public are an important part of the Company's investor relations program. The Company will provide non-material and publicly disclosed information in individual and group discussions and meetings where doing so, facilitates better understandings about the business and affairs of the Company. Generally, such information will be factual and non-speculative in nature and will not in any way significantly impact, impair or be detrimental to the Company's performance and effectiveness;
- the Company will not discriminate or differentiate amongst recipients of publicly disclosed information and will respond in the same manner to all requests for such information. This means that the Company will provide the same information and details that it has provided to analysts or fund managers, to any other individual or media representative, upon request; and
- During the period from the first day of the month following each quarter until the public release of quarterly financial results, the Company will impose a "quiet period" during which it will refrain from providing any information or guidance on matters potentially impacting earnings outlooks.

## **5.2 Communicating with Finance Analysts, Media & Investing Public**

The authorised spokesperson may, if requested, review and comment upon analysts' draft research reports or models solely to confirm, correct or clarify historical public information provided therein. Person who are authorised by the authorised spokesperson to speak at briefings or interviews, must forward the briefing materials/information and obtain approval/clearance from the Committee or authorised spokesperson before the actual briefing or interview.

The Company will provide only factual and non-speculative information during such briefings. If material non-public information is inadvertently disclosed at such a briefing, the Company will take immediate action to achieve broad public dissemination of the information in order to fully publicly disclose that information in accordance with Listing Requirements and other applicable legal and regulatory requirements.

Briefing materials/information from such briefing sessions will be made available on the Company's website, if appropriate, after the presentation is made.

The Company will not comment on opinions made by analysts except where it is a factual error.

## **6. RESPONDING TO MARKET RUMOURS OR REPORT**

Whenever the Company becomes aware of any rumour or report, true or false, that contains material information, the Company will make due enquiry and immediately clarify, confirm or deny the rumour or report for the public.

The Company will respond to market rumour or report in accordance with its obligations under Listing Requirements and other applicable rules and regulations.

Where the information in the articles or report is reasonably specific and has not been previously announced, the Company will make an immediate announcement if it finds that such information is material in that:

- the information is perceived to have an impact on investors' investment decisions; or
- there is sufficient evidence to show that the movement in the share price and volume of the Company's securities relates to the information.

## **7. FORWARD LOOKING INFORMATION**

The Company may publicly disclose forward-looking information to enable reasoned evaluations of the Company and its future performance prospects provided that the Company has a reasonable basis for the forward-looking information and it has been prepared and reviewed by the Committee. Such information could include prospects, revenue or profits estimates, forecasts, projections or internal targets and key performance indicators. Such information will be consistent with and complementary to information that has been otherwise provided via timely disclosure documents such as annual reports, news releases, quarterly reports, etc.

Documents containing forward-looking information will be accompanied by appropriate contingency and cautionary (which in the case of an oral statement, shall be made by the person making the oral statement or another Company spokesperson expressly on behalf of the person making the oral statement). Such contingency and cautionary, shall generally include a statement that the forward-looking information is given only as at the date of the release of the disclosure document or oral statement, as applicable, and that the Company disclaims any obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

## **8. CORPORATE WEBSITE**

The Company's website [www.hckgroup.my](http://www.hckgroup.my) provides information on the Company, including the channels for shareholder communication.

The Company's website also clearly distinguishes a separate "Investor Relations" section containing disclosure and other information of interest to the investing public.

All announcements, the annual reports, quarterly reports and circulars of the Company are posted to the Company's investor relations website as soon as practicable following their release to Bursa Securities. Relevant press releases and presentations are also made available on the Company's website to facilitate communication between the Company, shareholders and potential investors.

The Head of Investor Relations Department and the Company Secretary is responsible for ensuring that the information contained in "Investor Relations" Section of the Company's website is kept up-to-date.

## **9. INSIDER TRADING**

### **9.1 Application**

Under Section 188 of the Capital Markets and Services Act 2007, a person is an “insider” if that person:-

- possesses information that is not generally available which on becoming generally available a reasonable person would expect it to have a material effect on the price or the value of the securities; and
- knows or reasonably ought to know that the information is generally not available.

Therefore, Directors, officers and employees of the Company or its major subsidiary with insider knowledge of undisclosed material information, are prohibited from trading in the Company’s securities, namely shares and warrants, until after the information has been publicly disclosed.

Persons considered to be in a special relationship with the Company include persons who provide professional services to the Company in the necessary course of business and on a need to know basis, such as lawyers and advisors.

### **9.2 Trading Restrictions**

An “insider” must not buy or sell the Company’s securities until after the information has been publicly disclosed as set out in Chapter 14 of the Listing Requirements. Such persons are also prohibited from trading securities of any other listed company if they have received undisclosed material information as a result of their business relationship with that company or from a person in a "related party" with that company.

Generally, Directors, officers and employees with insider knowledge are discouraged from trading in the securities of the Company on a short-term basis, and are encouraged to seek advice from the Chief Financial Officer or the Company Secretary whenever unsure or in doubt about trading securities in certain situations.

The Company has subscribed to the following closed period in relation to the Company’s quarterly results as defined by the Listing Requirements:-

- (a) during the period commencing from 30 calendar days before the targeted date of announcement of the Company’s quarterly results to Bursa Securities, up to the date of the said announcement.

The Company Secretary will inform the Directors and officers the closed period accordingly. The Directors, officers and employees with insider knowledge must comply with procedures for dealing in Company’s securities during closed period and outside closed period. No person having inside information may recommend any other person to enter into any dealing in the Company’s securities.