



**SIN HENG CHAN (MALAYA) BERHAD**  
(Company No: 4690-V)

**CORPORATE DISCLOSURE POLICY AND PROCEDURES**



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## **CORPORATE DISCLOSURE POLICY AND PROCEDURES**

### **1. POLICY STATEMENT**

Sin Heng Chan (Malaya) Berhad (“**SHCMB**” or “**the Company**”) is committed to ensuring all material information in relation to the Company communicated to the public regarding the business, operations and financial performance of the Company are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, information filed with regulators is in accordance with applicable legal and regulatory requirements.

The objectives of the Corporate Disclosure Policy (“Disclosure Policy”) are :

- (a) To raise awareness about, and provide guidance to management and employees on, the company’s disclosure requirements and practices.
- (b) To provide guidance and structure in disseminating corporate information to, and in dealing with, investors, analysts, media and the investing public.
- (c) To ensure compliance with legal and regulatory requirements on disclosure of material information.

### **2. APPLICATION OF DISCLOSURE POLICY**

- 2.1. This policy outlines the Company’s approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained, response to market rumours and restrictions on insider trading. It also provides guidelines for achieving consistent disclosure practices across the Company.



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- 2.2. This policy extends to the conduct of the directors, officers and employees of the Company and its subsidiaries and those authorised to speak on their behalf (“**SHCMB Personnel and Officers**”)
- 2.3. The policy covers the following methods employed by the Company to communicate with the regulators, media and the investing public:
  - 2.3.1. **Written Statements** made in the Company’s annual and quarterly reports, news and earning releases, letters to shareholders, speeches by senior management, email communication and information contained in the Company’s website.
  - 2.3.2. **Oral statements** made in group and individual meetings with financial analysts and investors, telephone calls with financial analysts, investors and media, interviews with the media, and press conferences.

### **3. COMMUNICATION OF DISCLOSURE POLICY**

To ensure that the Disclosure Policy is strictly complied with, copies of the Disclosure Policy will be circulated and made available to all present and new SHCM Personnel and Officers, either directly or by posting of the Disclosure Policy on the SHCMB’s website at [www.shcm.com.my](http://www.shcm.com.my). Upon posting of the Disclosure Policy on the Company’s website, SHCMB Personnel and Officers shall be bound by it.

A revised version of this Disclosure Policy will be distributed in accordance with the foregoing methods whenever significant changes are made.



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#### **4. ADMINISTRATION OF DISCLOSURE POLICY**

##### **4.1 General**

The Board is ultimately responsible for ensuring that the Company's disclosure requirements are fulfilled. The Board delegates the implementation of the Company's Corporate Disclosure Policy and Procedures to a committee ("**Disclosure Committee**") to be headed by the Managing Director ("**MD**").

##### **4.2 Disclosure Committee**

The members of the Disclosure Committee will be:

- (a) MD;
- (b) General Manager ("**GM**");
- (c) Chief Financial Officer ("**CFO**"); and
- (d) Company Secretary ("**CS**").

The Disclosure Committee will be responsible for:

- (a) Determining whether information is material information;
- (b) Timely disclosure of material information in accordance with applicable securities laws and Main Market Listing Requirements of Bursa Malaysia ("**Main Market LR**");
- (c) Monitoring compliance with this Disclosure Policy; and
- (d) Overseeing SHCMB's disclosure controls and procedures.
- (e) Reviewing the Company's Disclosure Policy annually to ensure compliance with the prevailing rules and guidelines of Main Market LR.



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Each member may appoint a designate. Decisions of the Disclosure Committee shall be made by a majority of its members or their designates. Where however, at least two members of the Disclosure Committee or their designates are not reasonably available for consultation on a particular issue in the time required to make a determination on such issue, the remaining members of the Disclosure Committee, or their designates, are authorised to make any determination required to be made by the Disclosure committee in this Disclosure Policy.

The CFO will serve as the primary contact person for the Disclosure Committee and will engage other members as necessary and appropriate to the matter at hand. In his or her absence, other members can be contacted for matters referred to in this Disclosure Policy.

## **5. DESIGNATED SPOKESPERSONS**

The Company designates a limited number of spokespersons ("**Designated Spokespersons**") responsible for communication with the investment community, regulators or the media.

The list of the Designated Spokespersons are:

- (a) Chairman;
- (b) MD;
- (c) Executive Director/Authorised Director;
- (d) GM;
- (e) CFO; and/or
- (f) COO.

*Note:*

*In the absence of any Designated Spokesperson(s), the Designated Spokesperson may, from time to time, designate others within the Company to speak on behalf of the Company or to respond to specific inquiries.*



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Employees of SHCM and its subsidiaries, other than the Designated Spokesperson, **SHALL NOT** respond under any circumstances to inquiries from the investment community or the media. All such queries should be referred to the Designated Spokespersons or to those persons designated by the Designated Spokespersons, from time to time.

## **6. ANNUAL POLICY REVIEW**

The Disclosure Committee will review this Disclosure Policy from time to time and recommend updates to the Board, if necessary. Any material changes proposed to this Disclosure Policy will be subject to the approval of the Board.

## **7. MAINTAINING CONFIDENTIALITY**

Any employee privy to confidential corporate information is **prohibited** from communicating such information to anyone else, unless it is necessary to do so in the course of business or required by law or authorised by the Disclosure Committee. Efforts will be made to limit access to such confidential information to only those who “**need to know**” the information.

Outside parties privy to undisclosed material information concerning the Company will be advised that they must not divulge such information to anyone else. The Management shall ensure that such outside parties shall confirm and commit to non-disclosure under a written confidentiality agreement.



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To prevent misuse or inadvertent disclosure of material information, the following procedures should be observed at all times:

(a) Security and code names

Documents and files containing confidential information should be kept in a safe place or within the Company's secured IT system, with accessibility restricted to individuals who "need to know" in the necessary course of their work. Code names should be used, where necessary.

(b) No discussion in public places

Confidential matters should not be discussed in places where discussion may be overheard, including but not limited to public areas such as, elevators, hallways, restaurants, bars, restrooms, airplanes or taxis.

If such confidential matters must, of necessity or urgency, be discussed on wireless devices in public places, caution should be exercised by the participants. In such cases, the identity of any relevant party should be cryptic or in code.

(c) Social Media

Employees are strictly prohibited from participating in Internet blogs, chat rooms, similar media forums (such as Twitter, LinkedIn, Whatsapp or Facebook) or newsgroup discussion on matters pertaining to the Company's business and affairs or its listed securities unless authorised to do so by an Designated Spokesperson. This is to mitigate the risk of inadvertently disclosing or publishing material and non-public information.

(d) Exercise caution when reading confidential documents in public places

Caution should be exercised when reading confidential documents on blackberries, smart phones or other personal digital assistant devices in public places.



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(e) Visitors

Visitors should be accompanied by Company personnel to ensure that they are not left alone in offices or places containing confidential information.

If at any one time, confidential material information is inadvertently leaked resulting in selective disclosures, the Disclosure Committee will initiate a process to ensure that full and accurate public disclosure is made.

## **8. PROCEDURES AND PRACTICES ON CORPORATE DISCLOSURE**

### **8.1 Material Information**

8.1.1 Information relating to business, operations and financial performance of the Company is considered material if it is reasonably expected to have material effect on:

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

8.1.2 Material information may include information which :

- (a) Concerns the Company's property, business, financial condition or prospects;
- (b) Relates to dealings with employees, suppliers, customers and others;
- (c) Relates to any event affecting the present or potential dilution of the rights and interests of the company's shares; and
- (d) Relates to any event materially affecting the size of the public holding of the Company's shares.





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8.1.3 Bursa Securities requires immediate disclosure of all material information. Examples of events requiring immediate disclosure can be found in *Schedule 1 (non-exhaustive)*.

## **8.2 Responsibility to Report on Significant Corporate Development**

All departments have the responsibility to keep the Disclosure Committee fully informed and kept abreast with all significant developments within the Company.

## **8.3 Responsibilities and Procedures for Disclosure of Material Information.**

The CFO/Company Secretary (“CS”) will manage all of the Company’s releases of material information.

The CFO/CS has the overall responsibility to ensure that the content clearly and effectively communicates the intended substance and meaning of the information to the public.

The Finance Department has specific duties to review and verify accuracy of all financial data if forms part of the release.

When a decision has been made that the information is material and be disclosed immediately, the Company will immediately initiate a process to ensure that accurate, timely, complete and fair disclosure will be prejudice the interests and corporate objectives of the Company. The Investor Relations/Corporate Secretarial department, in consultation with the CFO, will prepare a draft news release.



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The draft release will be reviewed first by the CFO for accuracy and compliance with applicable disclosure requirements, and then approved by the MD of the company prior to dissemination.

Once the contents of the news release have been approved, the information will be released to Bursa Securities. At the same time, the news release will also be released through a newswire service to ensure the widest possible public dissemination. In addition, a copy of the news release will be made available and accessible on the Company's website.

In normal circumstances, the Company strives to release material information after the close of trading hours on the same day.

After public dissemination, all of the Company's disclosures will be monitored to ensure accurate media reporting and take corrective measures, if necessary.

When necessary, the company file a material change report with Bursa Securities.

#### **8.4 Responding to market rumours**

When a company is asked to comment on a rumour or report, or becomes aware of a rumour or report, the CFO/CS will take steps to ascertain the truthfulness of the report or rumour.

Should the Company become aware of any rumour or report that contain material information which requires clarification, confirmation or denial, appropriate announcement will made to the general public.



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The CFO/CS will make a recommendation to the Disclosure Committee as to the nature of the response, that is, to confirm, clarify or deny the rumour or report.

#### **8.5 Communications with financial analyst, the media and the investing public**

The CFO/CS will be responsible for preparing the designated spokespersons for briefing sessions with financial analysts, the media and the investing public on information about the Company.

The Company will not provide confidential, proprietary or material non-public information during such briefings. Any information disclosed will be factual and not speculative.

If material non-public information is inadvertently disclosed at such a briefing, the Company must take immediate action to achieve broad public dissemination of the information.

The Company does not discriminate among recipients of information. Under no circumstances will the Company confirm or attempt to influence a financial analyst opinions or conclusions. The Company will provide the same information to both financial analysts and individual investors when requested. The Company will not comment on opinions made by analysts except where it is a factual error.

In the month of an earnings release, prior to the release, the Designated Spokesperson will not hold private meetings with analysts.



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## **8.6 Forward-looking information**

A forward-looking statement made in the Company's written documents will be identified as such and accompanied with meaningful cautionary language that warns investors that there is a risk that the statement could change materially.

## **8.7 The Company's Website**

The Company's website contains an investor information section. Documents of interest to investors will be made available and accessible to the public on the website. These include announcements, annual reports, quarterly reports, circulars, annual general meeting minutes and news releases.

The Investor Relations department, together with the CFO are responsible for ensuring that the information contained in the investor section of the website is kept current and accurate.

## **8.8 Restriction on Insider Trading**

Section 188 of the Capital Market & Services Act 2007 ("CMSA") defines "insider" and prohibits insiders, whether as principal or agent, in respect of any securities to which information in subsection 188(1) relates,

- (a) acquire or dispose of, or enter into an agreement for or with a view to the acquisition or disposal of such securities; or
- (b) procure, directly or indirectly, an acquisition or disposal of, or the entering into an agreement for or with a view to the acquisition or disposal of such securities.



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*A person is an “insider” if that persons:*

- (a) 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*
- (b) knows or reasonably ought to know that the information is generally not available.*

Based on the above definitions, these persons would include but not limited to the following :

- (a) Directors and officers of the Company and its subsidiaries;
- (b) Employees;
- (c) Persons who provide business or professional services to SHCMB; and
- (d) Any other person or company informed about undisclosed material information about SHCMB by any of the above parties.

As such, the persons stated above with insider knowledge of undisclosed material information is prohibited from trading in the Company's securities until after the information has been publicly disclosed.

## **8.9 Trading Restrictions**

It is prohibited for any person with knowledge of material information affecting the Company which has not been publicly disclosed, to purchase or sell securities of the Company. With the exception in the necessary course of business, it is also illegal for any person to inform or tip any other person of material non-public information. The issue as to whether the information is material, potentially material or whether such information has been previously disclosed pursuant to this Policy should be directed to the CFO or CS.



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#### **8.10 Closed Periods**

The SHCMB Group subscribes to the “**Closed Period**” as provided in the Main Market LR, which states as a period commencing 30 calendar days before the targeted date of announcement up to the date of the announcement of the Company’s quarterly results to Bursa Malaysia.

During this Closed Period, all Designated Spokespersons are prohibited from commenting on current period earnings estimates and financial assumptions, other than to cite or refer to existing public guidance. Communications must be limited to commenting on publicly available or non-material information.

All Designated Spokesperson must also avoid initiating meetings (in person or by phone) with investment analysts, security holders, potential investors and the media on items significant to investors, other than responding to unsolicited inquiries concerning factual information.

The SHCMB Group does not, however have to stop all communications with analysts or investors during this period and may, for example, participate in investment meetings and conferences organised by other parties, as long as material information which has not been publicly disclosed, is not selectively disclosed.

#### **8.11 Consequences for non-compliance**

An employee who violates the Company’s Disclosure Policy may face disciplinary action up to and including termination of his or her employment. The violation of this Disclosure Policy may also violate certain securities laws. If the Company discovers that an employee has violated such securities laws, it may refer the matter to the appropriate regulatory authorities for further investigations.



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If any SHCMB Personnel or Officers has any doubts as to their responsibilities under this Disclosure Policy, they should seek clarification and guidance from the Disclosure Committee.

The Corporate Disclosure Policy and Procedure was reviewed by the Board on 26 February 2018.

## **Schedule 1**

Paragraph 9.04 of the Listing Requirements of Bursa Malaysia Securities Berhad provides examples of events which require immediate disclosure as follows:

- (a) the entry into a joint venture agreement or merger;
- (b) the acquisition or loss of a contract, franchise or distributorship rights;
- (c) the introduction of a new product or discovery;
- (d) a change in management;
- (e) the borrowing of funds;
- (f) the commencement of or the involvement in litigation and any material development arising from such litigation;
- (g) the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings;
- (h) the purchase or sale of an asset;
- (i) a change in capital investment plans;
- (j) the occurrence of a labour dispute or disputes with sub-contractors or suppliers;
- (k) the making of a tender offer for another corporation's securities;
- (l) a change in general business direction;
- (m) a change of intellectual property rights;
- (n) the entry into a memorandum of understanding; or
- (o) the entry into any call or put option or financial futures contract.