

# **CORPORATE DISCLOSURE POLICY AND PROCEDURE**

## **1. Introduction**

As a public listed company, Perusahaan Sadur Timah Malaysia (Perstima) Berhad (“Perstima” or the “Company”) and its subsidiaries (the “Group”) are committed to provide accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decision by investors. This information is directed to a diverse audience of shareholders, stakeholders and the public generally. Unless otherwise noted, this Policy applies to all Company current officers, directors, employees, insiders and any other person or company that is engaged or may engage in a business or professional activity with this Company (including authorized representatives) (collectively, “Company Personnel) as well as former Company Personnel who served in that capacity in the past.

In formulating this policy, the Company has taken into account the recommendations contained in the Malaysian Code on Corporate Governance (MCCG) and its disclosure obligations contained in the Listing Requirements of Bursa Malaysia Securities Berhad.

## **2. Rationale and Objective**

To develop an effective Investor Relations (“IR”) programme and strategy to communicate the Corporate vision, strategies, developments, financial plans and prospects to investors, financial community and other stakeholders fairly and accurately and to obtain feedback from the stakeholders.

This policy also aims to

- develop and maintain a positive relationship with all the shareholders and stakeholders through active two-way communication;

- promote and demonstrate a high standard of integrity and transparency through timely, accurate, quality and full disclosure.

### **3. Material Corporate Developments**

A press release will be issued for new material developments. If a material is made to selective group, Perstima will immediately issue a press release in order to ensure full public disclosure of that information, and advice any members of such a select group that the information is material and has not yet been generally disclosed. As a result, those individuals shall be further advised that they should refrain from trading until the information has been properly disclosed.

### **4. Material Information**

It is impossible to provide a complete definition of what constitutes “material” Company information. Under the federal securities laws, information is material if its disclosure is likely to have an impact on the price of a security, or if reasonable investors would want to know the information before making an investment decision. In other words, information is material if it would alter significantly the total mix of information available regarding the security. Both positive and negative information can be material, as well as information that forecasts whether an event may or may not occur. Any questions concerning the materiality of particular information should be resolved in favor of materiality. Examples of material information about the company include, but are not limited to:

- Announcements of earnings or losses;
- The launch of a new product or business;
- A pending or prospective merger, acquisition;
- The sale of significant assets, or a significant subsidiary;
- The gain or loss of a substantial customer or supplier; and
- Major changes in senior management.

## 5. Confidentiality

The maintenance of confidentiality is essential to the Company, both legally and practically. Accordingly, the disclosure committee (as defined below) will take steps to ensure that material and other sensitive information will be carefully handled in order to avoid “selective disclosure.” In addition, to avoid selective disclosure, the committee will be responsible for the timing of any release of material information.

## 6. Selective Disclosure

Selective disclosure is the disclosure of material, nonpublic information to any individual or group prior to the board public dissemination of that information. It is against the law and Company policy to selectively disclose material, nonpublic information to people or groups outside of the Company at any time, unless those people or groups are covered by confidentiality or nondisclosure agreements.

## 7. Roles and Responsibilities

### a) Disclosure Committee

The Company has established a disclosure committee which consist a minimum of the general counsel, Managing Director (the “MD) and senior management of the Company (Composition **listed in Appendix A**). In addition to assessing the process for public dissemination of information, the committee will decide when material developments justify public release.

It is essential that the disclosure committee be fully apprised of all material Company developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information or whether the information should remain confidential and, if so, how that inside information is controlled.

The role of this committee should not be construed as conducting normal investor relations activities by committee. It will systematically review the Company's prior material disclosures and other public statements to determine whether any updating or correcting is appropriate. The committee will also periodically review and update this policy, if needed.

Perstima's Disclosure Committee is responsible to;

- Manage its disclosure and certification process relating to its Covered Reports;
- Establish appropriate procedures pursuant to which information is accumulated and communicated to management, including the MD and principal financial officer;
- Monitor the process pursuant to which information is gathered and analyze such information to determine the extent to which such information requires disclosure in the Covered Reports;
- Address the substance and timeliness of any such disclosure; and
- Periodically review and assess Perstima's internal and disclosure controls and procedures.

In performing these functions, the Disclosure Committee should seek to ensure that Perstima's internal communications and other procedures operates so that important information flows to the appropriate collection and disclosure point in a timely manner, allowing Perstima to file Covered Reports within the required time periods.

The Disclosure Committee is responsible for the disclosure contained in each Covered Report and, in reviewing the Covered Reports, should give due consideration to the materiality of information contained therein.

## **b) Designated Spokesperson**

In order to ensure that the Company's is able to fully comply with this Policy, it is important that;

- The Company designates the MD or the DMD as the primary spokespersons for the Company.
- Each Spokesperson be completely familiar with the operations of the Company and up to date on any pending material developments; and
- Each Spokesperson has a sufficient understanding of the Disclosure Rules to be able to decide whether or not particular information is material.

Each Spokesperson shall maintain a file containing all relevant public information about the Company, including the following documentation produced since the commencement of the last completed fiscal year of the Company;

- Annual Report;
- Management Information Circular;
- Annual Information Form;
- News Releases;
- Analysts' Research Reports;
- Articles appearing in newspapers, periodicals and other publications
- Conference/Investor presentations.

Others within the Company, and outside counsel as specified by the Spokesperson, may from time to time be designated by an authorized Spokesperson to speak on behalf of the Company or to respond to specific inquiries from the investment community, analysts of the media.

Employees, other than the authorized Spokespersons, are not to respond under any circumstances to inquiries from the investment community, analysts or the national media, unless

specifically asked to do so by an authorized Spokesperson. In certain situations regional management will be requested by an authorized Spokesperson to respond to inquiries from their local media. These situations will generally occur after a local news release has been issued on a local issue.

It is essential that the Spokespersons continue to be fully appraised of the Company's public disclosure record for all material developments and analyst reports in order that they are in a position to evaluate and discuss those events that may impact the disclosure process, e.g. the status of any material operational developments, extraordinary transactions, major management changes, etc.

Perstima's Spokespersons shall continue to be integrally involved in approving, scheduling and developing presentations for all meetings and other communications with analysts, institutional investors and shareholders, arranging appropriate interviews with the Company's management and responding to inquiries from the public for additional information. Employees who are not authorized spokesperson will be instructed to refer calls to an authorized Spokesperson.

#### **8. Instruction to Employees Who Are Not Authorized Spokespersons**

Employees, other than those authorized to speak on behalf of the Company, will be instructed that they are not to respond, under any circumstances, to inquiries from the investment community or the media unless specifically authorized to do so by an authorized spokesperson to ensure consistent disclosure and the avoidance of selective disclosure.

Employees who are not authorized spokespersons who receive either direct or indirect inquiries from investors or the news media must refer all such inquiries to the appropriate, designated corporate investor relations or communications officer.

## **9. Mode of Disclosure**

The Company makes use of a broad range of communication channels to disseminate information regarding the Company. These would include:

- 9.1. Electronic facilities provided by Bursa Malaysia Securities Berhad;
- 9.2. Corporate website;
- 9.3. Email; and
- 9.4. Annual General Meeting

## **10. Policy on News Releases**

A news release will be issued on new material development, unless the disclosure committee;

- 1) Determines that such developments should remain confidential for the time being,
- 2) Institutes appropriate controls over that insider information, and
- 3) Ensures that insider trading on such information is prohibited.

Any new material information that is to be intentionally discussed or presented in any meeting or conversation with analysts or investors will be preceded by the issuance of a broadly disseminated news release. If new material information is unintentionally disclosed in such a meeting or discussion with a member or members of the investment community, the Company will promptly (within 24 hours) issue a news release containing that information and will post that information on its website. To the extent practicable, the investor relations officer or someone intimately familiar with the Company's disclosure record will participate in any meetings or discussions with analysts or investors in order, at a minimum, to monitor the conservation for any unintentional disclosure of new material information and to facilitate the prompt release of that information.

## **11. Conduct of Conference Calls**

The Company makes a practice of holding open, publicly accessible conference calls to discuss quarterly financial results and other significant events that arise in the course of its business

Analysts and professional investors will have teleconference access to the call so they may participate in the question-and-answer part of the call. All other may listen to the call via the Internet on the Company's Web site. The Company will attempt to respond to as many questions as possible in the time allowed.

## **12. Investor Meetings**

The Company makes a practice of responding to analyst and investor inquiries in the form of phone conversations, one-on one meetings with the investor relations officer and other members of the senior management team and meetings with groups of analysts and investors. The purpose of these meetings is to allow/or permit investors to gain a better understandings of the strategies and fundamentals of the Company, as well as to give analysts and investors the opportunity to personally meet and assess management. The Company will not disclose material, nonpublic information selectively in these meetings. The Company also participates in a number of either Company-hosted or analyst-hosted conferences and other meetings, as schedule permit. A designated member of the investor relations staff will be present at or available for participation in all meetings held with analysts and investors. In the case of conferences or Company-hosted presentations, every effort will be made to announce publicly that the presentation will be held and to webcast the presentation.

### **13. Responding to Rumors**

It is the Company's policy not to respond or comment on market rumours and speculation, unless they appear to contain material information, or may be expected to affect the price of the Company's securities or trading activity in those securities.

When a report or rumours about the Company contained material errors, employees should not respond to rumors about the Company found in Internet chat rooms, and all rumors should be referred to designated Company spokespersons for appropriate action. The Company will issue an announcement to Bursa Malaysia Securities Berhad to deny or clarify the matter, and provide sufficient supporting information in accordance with the Listing Requirements.

### **14. Handling Projections That are Identified as Forward-Looking**

The Company will, from time to time, provide forward-looking information to enable the investment community to better evaluate the Company and its prospects for performance.

A forward-looking statement made in the Company's written disclosures will be accompanied with meaningful cautionary language that warns investors that there is a risk the statement could change materially. In the case of oral forward-looking statements, the Company will refer to the risk factors enumerated in other readily available written documents.

### **15. Quiet Period**

The Company will observe a quiet period commencing two weeks prior to the end of each quarter and continuing until 72 hours after earnings are publicly released. During the quiet period, though it is preferable to avoid investor meetings, the Company may choose to participate in investor phone calls, meetings or conferences, but will not discuss current operations or result of the business.

## **16. Analysts and Investor Access to Information and Company Officials**

The Company will provide fair access to Company information and officials within the limits of its time and resources. All analyst and investors will at least have access to the Company's investor relations officer and department. Requests for meetings with senior management will be met as schedules permit and may be determined by such criteria as the number of shares an investor holds in the Company's securities, an analyst's or investor's knowledge of the Company and the industry or industries in which the Company operates, and how often the analyst or investor has previously met with top officials in the Company.

## **17. Providing Material Information to the Media**

The Company's policy is that the media will receive new material information at the same time the investment community and the public receive it. Therefore, the Company will not provide exclusive stories to the media concerning upcoming material events that have not been publicly announced.

## **18. Obtaining Feedback**

The Company has developed various channels (email, IR's contact number or constructive engagements) for shareholders and major stakeholders to provide their comments and feedback in relation to Company's operational, performance, governance and strategic matters.

The Company will consider the relevant comments and feedback received in establishing its corporate strategy.

## **19. Continuing Training Programme**

Continuous learning such as attending seminar and training courses will be recommended on an going basis to uplift the competencies and skills of the spokespersons and enable them to keep abreast with the micro and macro changes.

**20. Periodic Review and Disclosure**

20.1. The Company shall review this policy regularly and communicate the new changes to all relevant parties.

20.2. The Company shall disclose this policy in its Corporate Website.

This policy is dated 5 July 2018.

## **Appendix A**

“Senior Officials and FD Persons” are limited to the following groups

- 1) Members of the Perstima Board of Directors
- 2) Managing Director and Deputy Managing Director

### **Disclosure Committee**

- 3) General Manager and Deputy General Manager
- 4) Factory Manager and Deputy Factory Manager