

BATU KAWAN BERHAD

(6292-U)

CORPORATE DISCLOSURE POLICY AND PROCEDURES

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BATU KAWAN BERHAD CORPORATE DISCLOSURE POLICY (“DISCLOSURE POLICY”)

1. POLICY STATEMENT

The Board of Directors (the “Board”) of Batu Kawan Berhad (“BKB” or the “Company”) is committed to ensure that communications to the investing 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 Disclosure Policy are to:

- (a) confirm in writing BKB’s existing disclosure policies, guidelines and procedures and ensure consistent approach to the Company’s disclosure practices throughout the Company;
- (b) ensure that all persons to whom this Disclosure Policy applies understand their obligations to preserve the confidentiality of material information;
- (c) effectively increase understanding of the Company’s business and enhance its corporate image by encouraging practices that reflect openness, accessibility and co-operation; and
- (d) reinforce BKB’s commitment to compliance with the continuous disclosure obligations imposed by Malaysian securities law and regulations and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

2. APPLICATION OF DISCLOSURE POLICY

This Disclosure Policy applies to **all directors, officers and employees** of the Company and its subsidiaries and those authorised to speak on their behalf (“BKB Personnel and Officers”). It covers, but is not limited to the following:

- (i) Disclosure documents filed with the Malaysian securities regulators and written statements made in the Company’s annual and quarterly reports;
- (ii) Financial and non-financial disclosure;
- (iii) Press releases;
- (iv) Letters to shareholders;
- (v) Presentations by senior management;
- (vi) Information contained on the Company’s website and other electronic communications;
- (vii) Oral statements made in group meetings, individual meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers) or with employees;
- (viii) Interviews with the media;
- (ix) Speeches;
- (x) Industry and investor conferences;
- (xi) News conferences;
- (xii) Conference calls; and
- (xiii) Any other dealings with the general public.

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 BKB Personnel and Officers, either directly or by posting of the Disclosure Policy on BKB's website at www.bkawan.com.my. Upon posting of the Disclosure Policy on the Company's website, BKB 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.

4. ADMINISTRATION OF DISCLOSURE POLICY

4.1 General

Subject to applicable laws and any developments determined by the Board as requiring immediate public disclosure, this Disclosure Policy shall be administered and interpreted by a committee (hereinafter defined as "Disclosure Committee") to be headed by the Managing Director ("MD").

The Disclosure Committee will be responsible for:

- (i) Determining whether information is material information;
- (ii) Timely disclosure of material information in accordance with applicable securities laws and Main Market Listing Requirements of Bursa Malaysia ("Main Market LR");
- (iii) Monitoring compliance with this Disclosure Policy; and
- (iv) Overseeing BKB's disclosure controls and procedures.

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.

4.2 Disclosure Committee

The members of the Disclosure Committee will be:

- (i) MD;
- (ii) Group Financial Controller ("GFC"); and
- (iii) Company Secretary ("Co Sec").

The GFC 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. AUTHORISED SPOKESPERSONS

The Company designates a limited number of spokespersons (“Authorised Spokespersons”) responsible for communication with the investment community, regulators or the media.

The list of the Authorised Spokespersons is as follows:-

Authorised Spokesperson(s)	(i) Chairman (ii) MD; and (iii) GFC	Matters for response include all aspects in relation to: <ul style="list-style-type: none">• Company’s operations;• Financial positions;• Future prospects;• Strategies;• Governance;• Management;• Products and services. <p><i>Note:</i> <i>In the absence of any Authorised Spokesperson(s), the Authorised Spokesperson may, from time to time, designate others within the Company to speak on behalf of the Company or to respond to specific inquiries.</i></p> <p><i>There could be blanket delegation on routine matters.</i></p>
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BKB Personnel and Officers who have not been designated by the Authorised Spokespersons **MUST NOT** respond under any circumstances to inquiries from the investment community, the media or others. All such inquiries should be referred to the Authorised Spokespersons or to those persons designated by the Authorised Spokespersons, from time to time.

6. 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 told that they must not divulge such information to anyone else. **Management shall ensure** that such outside parties confirm their commitment to non-disclosure under a written confidentiality agreement.

For prevention of misuse or inadvertent disclosure of material information, the following general procedures should be observed at all times:

(i) **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.

(ii) **No discussion in public places**

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

If 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.

(iii) **Exercise caution when reading confidential documents in public places**

One should exercise caution when reading of confidential documents or blackberries, smart phones or other personal digital assistant devices in public places.

(iv) **Accompanying visitors**

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

(v) **Non-participation in social media on matters relating to Company**

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

8. DISCLOSURE CONTROLS AND PROCEDURES

8.1 Material Information Release Guidelines

Guided by the Main Market LR, material information is generally considered to be any information relating to the business, operations and financial performance of the Company that results in, or would reasonably be expected to result in a significant change in:

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

For general guidance, the following are some examples of events which may require immediate disclosure to Bursa Malaysia by the listed issuer (non-exhaustive):

Types of events which may require immediate announcement to Bursa Malaysia	
<ul style="list-style-type: none"> ▪ 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 or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings; 	<ul style="list-style-type: none"> ▪ the purchase or sale of an asset; ▪ a change in capital investment plans; ▪ the occurrence of a labour dispute or disputes with sub-contractors or suppliers; ▪ the making of a tender offer for another corporation's securities; ▪ the occurrence of an event 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 futures contract.

8.2 Basic Disclosure Principles

In complying with the requirement to disclose all material information under applicable laws and the Main Market LR in a timely manner, the Company, BKB Personnel and Officers shall adhere to the following basic disclosure principles:

- (i) **Immediate announcement to Bursa Malaysia**
Subject to the terms of this Disclosure Policy, material information will be announced immediately to Bursa Malaysia first and made available at the Company's website.
- (ii) **Consistent approach to materiality**
The Company would endeavour to take a consistent approach to materiality.
- (iii) **Material information to be temporarily kept confidential if detrimental to the interest of the Company**
Material information may be kept confidential temporarily if the immediate release of the information would be unduly detrimental to the interests of the Company. In such cases, the information will be kept confidential until the Disclosure Committee determines it is appropriate to publicly disclose or that the Company has a legal obligation to do so.
- (iv) **Factual and non-speculative disclosure**
Disclosure must be factual and non-speculative and must include any information the omission of which would make the rest of the disclosure misleading.
- (v) **Prompt disclosure of unfavourable material information**
Unfavourable material information must be disclosed as promptly and completely, consistent to favourable information.

- (vi) **Inadvertent disclosures to be disclosed immediately via announcements**
If previously undisclosed material information has been inadvertently disclosed, such information must be broadly disclosed immediately via announcements. In certain circumstances, applicable securities laws allow for selective disclosure where doing so is in the necessary course of business.
- (vii) **Immediate correction of material error in disclosure**
Disclosure must be corrected immediately if the Company subsequently learns that an earlier disclosure by the Company contained a material error at the time it was originally distributed.
- (viii) **Rumours and Reports**
The Company does not comment on rumours unless there is significant reaction in the market for the Company's listed securities. The Company's Authorised Spokespersons or designates will respond consistently to all verbal rumours, saying, **"It is our policy not to comment on market rumours or speculation."**
- However, should rumours be published in the printed form and relate to specific material information, the Disclosure Committee shall consider the matter and undertake due enquiry before deciding on the form of statement to be made regarding the rumour.
- (ix) **No informal meetings or "off the record" comments**
The Company shall not conduct any **"informal meetings"** or make any **"off the record"** comments.
- (x) **Equal access to material information**
All investors must have equal access to material information. Selective disclosure is not allowed.

8.3 Public Disclosure Materials

Announcements to Bursa Malaysia and where applicable, press releases, responses to public queries or media interviews ("Public Disclosure Materials") must contain sufficient detail in plain language to enable investors and media personnel to understand the true substance, importance and relevance of the information so that investors and other important stakeholders may make informed investment decisions.

Once the Disclosure Committee determines that a development is material and must be disclosed, the issuance of an announcement will be authorised. In addition to an announcement made pursuant to the requirements of the Main Market LR, a press release may also be issued.

The Public Disclosure Materials must:

- (i) be circulated for input to the Disclosure Committee and/or other individuals as may be designated by the Disclosure Committee;
- (ii) approved by the Disclosure Committee;
- (iii) be checked for content keeping in mind confidentiality and/or approval obligations contained in partnership and joint venture agreements;
- (iv) be issued in accordance with the Main Market LR (where applicable to the Company); and
- (v) for press releases, include the name and contact numbers (phone, e-mail and fax) of at least one Company representative who has been designated by the

Disclosure Committee to communicate with the investment community and/or the news media.

All announcements made to Bursa Malaysia are available on the Bursa Malaysia's website at www.bursamalaysia.com. The Company will endeavour to post all major public announcements immediately upon issuance on the Company's website at www.bkawan.com.my. The announcement and if applicable, the press release page of the website shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

8.4 Misrepresentations

The Disclosure Committee should be promptly notified if any person, to whom this Disclosure Policy applies, becomes aware that:

- (a) any information publicly disclosed by the Company contained or may have contained a misrepresentation; or
- (b) there has been or may have been a failure to make timely disclosure of material information.

The Disclosure Committee, after conducting a reasonable investigation of the information, shall endeavour to ensure that the material information, or correction thereof, as the case may be, is promptly disclosed in accordance with applicable laws and the Main Market LR.

8.5 Reports, Statements Or Opinions By Experts

Prior to any public statement or disclosure or a filing with a securities regulatory authority by the Company or by a person on behalf of the Company that includes summaries or quotes from a report, statement or opinion made by an "expert" (as defined in the Main Market LR) and unless the Disclosure Committee determines otherwise, the Company shall obtain the written consent of such expert to such statement, disclosure or filing (which has not been withdrawn in writing by the expert prior to the Company's disclosure or filing).

Adequate measures should be taken to determine that the Company or the relevant person does not know and has no reasonable grounds to believe that there is a misrepresentation in the applicable statement, disclosure or filing made on the authority of the expert and that the statement, disclosure or filing fairly represents the report, statement or opinion made by the expert.

8.6 Insider and Employee Trading

8.6.1 Application

Under Section 188(1) of the Capital Market & Services Act 2007 ("CMSA"), a person is an "insider" if that person:

- (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.

In addition, Section 188(2) of the CMSA states that an insider shall not, 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.

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

- (i) Directors and officers of the Company and subsidiaries;
- (ii) Employees;
- (iii) Persons who provide business or professional services to BKB; and
- (iv) Any other person or company informed about undisclosed material information about BKB 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 shares **until after the information has been publicly disclosed**.

8.6.2 Trading Restrictions

It is prohibited for anyone with knowledge of material information affecting the Company which has not been publicly disclosed, to purchase or sell securities of the Company. Except in the necessary course of business, it is also illegal for anyone to inform or tip any other person of material non-public information. Questions as to whether information is material, potentially material or whether such information has previously been disclosed in accordance with this Disclosure Policy should be directed to the GFC or Co Sec.

8.6.3 Blackout Periods

The BKB Group subscribes to the "Blackout Period" (also known as "Closed Period") as stated in the Main Market LR, defined as a period commencing 30 calendar days before the targeted date of announcement up to the date of the announcement of BKB's quarterly results to Bursa Malaysia.

During Blackout Periods, all Authorised 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 Authorised Spokespersons 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.

BKB 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.

8.7 Forward-Looking Information

From time to time, the Company may convey its future direction to the public in order to assist the market to accurately value the Company's securities. The Company shall only discuss general trends, events, commitments and uncertainties that are reasonably expected based on historical and currently known data.

Documents containing forward-looking information will be accompanied by a "Cautionary Statement" which cautions the reader on the risks and uncertainties that could cause actual results and developments to differ materially from those envisaged in the forward-looking information. It includes a statement to disclaim the Company's intention or obligation to update the forward-looking information, whether as a result of new information, future events or otherwise.

9. DEALINGS WITH INVESTMENT COMMUNITY

9.1 Analysts, Investors and the Media

Authorised Spokespersons may meet with analysts, institutional investors, media and other market professionals on an individual or small group basis as needed and will initiate contacts or respond to their calls in a timely, consistent and accurate fashion in accordance with this Disclosure Policy.

If during such meetings or responses to the calls, there is inadvertent selective disclosure of previously undisclosed material information, the Company will immediately disclose such information via Public Disclosure Materials.

9.2 Investor & Industry Conferences

Copies of presentations made during investor and industry conferences will be made available on the Company's website within one (1) week after the conference or when material information in the presentation becomes superseded by a more recent event.

9.3 Analyst Reports

Analysts may from time to time request the Company to review draft analysts' reports and only Authorised Spokespersons will comment on such reports. Comments will be limited to identifying publicly disclosed factual information that could affect the analyst's model and to pointing out inaccuracies or omissions with reference to publicly available information. The Company **will not attempt to influence** an analyst's conclusions.

The Company will not externally distribute analyst's research reports but, if requested, will advise which analysts follow the Company, accompanied by an appropriate disclaimer that the view expressed in any reports, including all forward-looking information, are the views of the analysts and not of the Company.

9.4 Review of presentations and hand-out materials

The relevant BKB personnel should provide an advance copy of all presentation materials to the Disclosure Committee who will review the presentation material, handouts and speaking notes for accuracy and consistency with other public disclosures. The Disclosure Committee will confirm with the Investor Relations

personnel whether the contents or remarks are acceptable from a disclosure perspective.

9.5 Corporate Website

All the Company's publicly disclosed material information and presentations to analysts and conferences will be made available through the corporate website for a reasonable period of time. Company Secretaries are responsible to ensure that the Company's website be kept up-to-date with the Company's latest disclosures.

10. DISCLOSURE RECORD

The Company Secretaries will maintain a file containing all public information about the Company (other than information that is already electronically filed with Bursa Malaysia), including all press releases, analysts' reports commented on, transcripts or tape recordings of conference calls, investor presentations, executive speeches, and as much as practicable, significant media articles on the Company.

11. ENFORCEMENT

Any employee who violates this Disclosure Policy may be cautioned or face disciplinary action up to and including termination of his or her employment with the Company. If it appears that the employee may have also violated certain securities laws, the Company may refer the matter to the appropriate regulatory authorities for further investigations.

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

The Board has adopted this Disclosure Policy on 20 February 2013.