

PACIFIC & ORIENT BERHAD

(Company No. 308366-H)

**CORPORATE DISCLOSURE
POLICY**

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PACIFIC & ORIENT BERHAD

(Company No. 308366-H)

CORPORATE DISCLOSURE POLICY

1.0 CORPORATE DISCLOSURE POLICY

A. Statement of the Policy

- i. The Company is committed to provide accurate, clear, timely and complete disclosure of material information pertaining to the Company's performance and operations to the shareholders, stakeholders, analysts, journalists, the investing public or other persons in conformity with any and all applicable legal and regulatory requirements and ensuring equal access to such information to avoid any individual or selective disclosure.
- ii. This Disclosure Policy applies to all Directors, management, officers and employees of the Company and its subsidiaries. It outlines the Company's approach toward the determination and dissemination of material information especially price-sensitive information, the circumstance under which the confidentiality of the information will be maintained, and restrictions on insider trading. It also sets out the internal procedural guidelines to facilitate the implementation and consistent disclosure practices across PACIFIC & ORIENT BERHAD ("POB") Group.

B. Objectives

The objectives of the Disclosure Policy are as follows:

- i. To raise awareness and provide guidance to the Board of Directors ("Board"), management, officers and employees on the Company's disclosure requirements and practices.
- ii. To provide guidelines and policies in disseminating corporate information to, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public:
- iii. To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information: and
- iv. To build good investor relations with the investing public that inspires trust and confidence.

C. Scope and Application

- i. The Disclosure 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, preventing abuse of undisclosed material information, monitoring and responding to market rumours, leaks and inadvertent disclosures and restrictions on insider trading. It also provides guidelines for achieving consistent disclosure practices across the POB Group.
- ii. The Disclosure Policy applies to the conduct of Directors, authorised spokespersons, management, officers and other employees of the Company with regard to handling and disclosing material information.
- iii. The Disclosure Policy covers the following methods employed by the Company to communicate with the shareholders, stakeholders, analyst, media, regulators and the investing public :-
 - a) Documents filed with the regulators, written statements made in the Company's annual report, financial statements, quarterly reports, press releases, letters, circulars to shareholders, e-mail communication and information on the Company's website: and
 - b) Oral statements made in group and individual meetings, telephone conversations, interview and press conferences including video conferencing with financial analysts, investors and media.
- iv. The Disclosure Policy does not apply to communication made in the ordinary course of business of the Company and its subsidiaries not involving material information.

2.0 INTERNAL STRUCTURE AND SYSTEM FOR CORPORATE DISCLOSURE

The Board is ultimately responsible for ensuring that the Disclosure Policy is implemented effectively and the disclosure requirements as set out are duly fulfilled.

Authorised Spokesperson

- i. The authorised spokespersons for the Company is the Chairman of the Board of Directors and the Group Managing Director ("GMD") and any other officers as may be authorised by the Board.
- ii. The authorised spokespersons 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.

- iii. Employees other than the authorised spokespersons shall not respond to inquiries from the investment community or media unless authorised to do so by the authorised spokespersons. All such queries should be referred to the authorised spokespersons.
- iv. If there is any doubt about the appropriateness of supplying information to an outside party, the employee should contact the authorised spokespersons.

3.0 PROCEDURES AND PRACTICES ON CORPORATE DISCLOSURE

A. Material Information

- i. Material information is any information about the Company and its subsidiaries which are reasonably expected to have a material effect on:
 - a) The market price, value or market activity of the Company's securities:
and
 - b) The decision of a holder of securities or an investor in determining his choice of action.
- ii. The following are some examples of events which may require immediate disclosure as set out in Paragraph 9.04 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main LR") (This list is not exhaustive and the Company has to exercise its own judgment in making materiality determination):
 - a) The entry into a joint venture agreement or merger;
 - b) The acquisition or loss of a material contact, 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 dispute with sub-contractors or suppliers;
 - k) The making of tender offer for another corporation's securities;
 - l) The occurrence of an event of default on interest, principal payments or both in respect of loans;
 - m) A change in general business direction;
 - n) A change of intellectual property rights;
 - o) The entry into a memorandum of understanding;
 - p) The entry into any call or put option or financial futures contract;
 - q) A natural disaster such as fire, flood, landslide, earthquake and the likes, or any major market upheaval that affects the operations or transactions of the Group;
 - r) Any change of accounting policy or adoption of new accounting standards which may have adverse implication on the Group;
 - s) An event which is beyond the control of the Group such as fuel price increase or interest rate hike; or
 - t) A significant change in the Group's dividend policy.
- iii. Materiality can be very subjective and the Company will take the approach of assessing the likely effect of the information on the price scope of the information, the activities and financial position or performance of the Company's securities, in addition to whether the circumstances or events are measurable and trigger the percentage ratios as set out in the Main LR.
- iv. The Company must immediately announce to Bursa Malaysia Securities Berhad ("Bursa Malaysia") the events as set out in Paragraph 9.19 of the Main LR as per Appendix 1 attached and as amended from time to time.

B. Responsibilities to Report on Significant Corporate Development

- i. It is essential that the authorised spokesperson be fully informed of all the Company's developments that could potentially impact the disclosure process.
- ii. It is the responsibility of the corporate and business unit departments to keep the spokespersons fully apprised of all significant development in the Company so as to :
 - a) Facilitate determination of materiality, appropriateness and timing for public disclosure of the information, or whether the information should remain confidential;
 - b) Ensure appropriate understanding of significant development and updates which may be relevant to the ongoing communications with the investing public; and
 - c) Avoid denying significant developments when in fact, such developments are occurring.

If in doubt, kindly contact the primary contact persons as listed under item 5.0 Contact details.

C. Responsibilities and Procedures for Disclosure of Material Information

- i. The Company Secretary will manage all of the Company's releases of announcements of material information to Bursa Malaysia through the Corporate Secretarial Department.
- ii. The Company Secretary or the appointed merchant bank will draft the announcement which will then be reviewed by the General Manager – Finance to ensure compliance with the Main LR and accuracy of the contents in the announcement.
- iii. The Finance, Legal Affairs and the relevant departments or business units have the duty to review and verify the accuracy of all financial data and all information contained in the announcement.
- iv. All announcements will be approved by the GMD or his/her designate before release to Bursa Malaysia.
- v. If the Company believes it would assist in having the news or material information better understood and widely disseminated, the Company may request Bursa Malaysia for a suspension in the trading of the Company's securities, so that an announcement can be made during trading hours.

- vi. For announcements which are to be released to the media, it will be released through authorised spokesperson. The Company has the overall responsibility to ensure that the content clearly and effectively communicate the intended substance and meaning of the information to the public.
- vii. Once the announcement has been released to Bursa Malaysia, it will then be released to all major newspapers and newswire services to ensure the widest release will be made available and accessible on the Company's website.
- viii. After public dissemination, the announcement or news release will be monitored by the Company Secretary to ensure accurate media reporting and will take any corrective measures, if necessary.
- ix. If necessary, the Company will file a material change report with Bursa Malaysia.

D. Withholding Confidential Information

- i. The Company will only withhold material information from the public for legitimate business purpose. These include:
 - a) When immediate disclosure would prejudice the ability of the Company to pursue its corporate objectives;
 - b) When the facts are in state of flux and a more appropriate moment for disclosure is imminent; and
 - c) Where the Company or securities laws restrict such disclosure.
- ii. Persons privy to the confidential material information shall not divulge the information to anyone else except in the course of business.
- iii. In such cases, the following precautions will be observed to keep the information completely confidential :
 - a) Documents and files containing confidential information should be kept in a safe place to which access is restricted to individual who "need-to-know" that information in the necessary course of business and code names should be used if necessary.

Transmission of documents by electronic means shall be made only where it can be made and received under secure conditions.

- b) If and when the information is disclosed in the necessary course of business, recipients of such information will be made aware of the need to keep the information confidential inside and outside the Company.
 - c) Confidentiality Agreements will be used to ensure protection of the confidentiality by third parties e.g. advisors, lawyers, consultants, business associates/partners, etc.
- iv. The above responsibilities and procedures shall also apply during the period of time when news releases involving material information are being developed, until the information has been released and disseminated to the investing public.
 - v. If at any time, confidential material information is inadvertently leaked resulting in selective disclosures, the Company will initiate a process to ensure that full and accurate public disclosure is made.

E. Responding to Market Rumours or Reports

- i. Whenever the Company becomes aware of any rumour or report, true or false, that contains material information, the Company will make due inquiry and immediately publicly clarify, confirm or deny the rumour or report through Bursa Malaysia.
- ii. The Company will publicly clarify any rumour or report which is in any form whatsoever and howsoever including by word-of-mouth and not limited to an article or otherwise, published in a newspaper, newswire, a broker's market report or any publication.
- iii. In the case of a rumour or report containing erroneous material information which has been circulated, the Company will immediately announce to Bursa Malaysia a denial or clarification of the rumour or report and provide facts sufficient to support the denial or to clarify any misleading aspects of the rumour or report.

A reasonable effort will be made to bring the announcement to the attention of the particular group that initially distributed it. In the case of an erroneous newspaper article, for example this will be done by sending a copy of the announcement to the newspaper's financial editor, or in the case of an erroneous broker's market report, by sending a copy to the broker responsible for the report.

- iv. In the case of a rumour or report containing material information that is correct, an announcement setting forth the facts will be prepared for public release, which will include but not limited to, an indication of the states of negotiations or of corporate plans in the rumoured area.

- v. In the case of a rumour or report predicting future sales, earnings or other quantitative data, the Company normally will not response to the same.

However, if such a report is based on or contains erroneous information, or is wrongly attributed to the Company, the Company will respond promptly to the supposedly factual elements of the rumour or report as required under Paragraphs 9.09 and 9.10 of the Main LR. In addition, the Company will include in the announcement a statement to the effect that the Company has made no such prediction and currently knows of no facts that would justify making such a prediction.

- vi. The Group Managing Director will also recommend an appropriate course of action where the Company or an employee of the Company is the apparent source of the rumour.

F. Communication with Financial Analysts, Media and Investing Public

- i. The authorised spokespersons are permitted to participate in briefing sessions with financial analyst, media and investing public on behalf of the Company.
- ii. Persons who are authorised by the authorised spokespersons to speak at briefing or interviews, must forward the briefing material/information and obtain approval/clearance from the Group Managing Director before the actual briefing or interview.
- iii. Briefing materials/information from such briefing sessions will be made available on the Company's website, if appropriate after the presentation is made. Interested investors who lack access to the Internet will be mailed a copy of the briefing materials/information upon request.
- iv. The Company will provide only factual and non-speculative information during such briefings.
- v. If material non-public information is inadvertently disclosed at such briefings, the Company will take immediate action to achieve broad public dissemination of the information in accordance with all applicable legal and regulatory requirements.
- vi. The Company does not discriminate among recipients of information. Under no circumstances will the Company confirm or attempt to influence a financial analyst's opinions or conclusions, speculate about future business plan or provide specific "bottom-line" financial expectations for the Company. The Company will provide the same information to both financial analysts and individuals investors when requested.

- vii. The Company will not comment on opinions made by analyst except where it is a factual error.
- viii. A record of all briefings (which include handouts) will be maintained by the Investor Relations Department.

G. Forward-looking Information

- i) The Company may provide forward-looking information to the investing public to enable reasoned evaluations of the Company and its future performance prospects provided that it is not undisclosed material information, it does not deal with future earnings, and it has been prepared or reviewed by the General Manager – Finance or Group Managing Director. Such information provided will be consistent and complementary to information that has been otherwise provided via timely disclosure documents such as annual report, new release, quarterly reports, etc.
- ii) Documents containing forward –looking information will be accompanied by a disclaimer cautioning the reader that there are risks and uncertainties that can cause actual result to differ materially from what is indicated in the document. When making oral forward-looking statements, reasonable care will be taken to also include appropriate references to such risks and uncertainties in the discussion.

H. Reviewing Analyst Reports

The Company may be requested to review draft analysts' reports from time to time. Only the authorised spokespersons or the Head of Investor Relations will comment but this will be limited to identifying publicly disclosed factual information that could affect the analysts' reports and to pointing out inaccuracies or omission with reference to publicly available information.

I. The Company's Website

- i) The Company's website (www.pacific-orient.com) provides an avenue for the shareholder and the investing public to access information pertaining to the Company.
- ii) All disclosure and material information documents of interest to investor will be made available and accessible by the public on the website as soon as after their release through the newswire services. These include corporate proposals, meetings, announcements, financial reporting and all other announcements that are required pursuant to the Main LR.

- iii) The Company Secretary is responsible for ensuring that the information contained in the website is accurate and will be kept up-to-date.

J. Restrictions on Insider Trading

- i) Anyone who has access to material information of the Company, its financial condition and its operations, is regarded as an Insider. Material information which is in the possession of an Insider and has not been disclosed to the investing public is Insider Information.
- ii) Insiders may not deal in the Company's securities while in possession of Insider Information, nor may they pass on that information to help another person deal in the Company's securities.
- iii) The relevant provision of the Capital Market and Services Act 2007 apply to all Insiders.
- iv) From time to time, the Company Secretary will advise the Directors and principal officers on the trading restriction in the Company's securities in accordance with the provision of the Main LR.

4.0 CONSEQUENCES FOR NON-COMPLIANCE WITH THE DISCLOSURE POLICY

An employee who violates the Disclosure Policy may face disciplinary action, which may result in the termination of employment. The violation of the 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, which could lead to penalties, fines or imprisonment.

5.0 CONTACT DETAILS

The primary contact persons for Bursa Malaysia matters are:

- (i) General Manager – Finance
PACIFIC & ORIENT BERHAD
Telephone No: 03-26985033
Facsimile No: 03-26944209
- (ii) Company Secretary
PACIFIC & ORIENT BERHAD
Telephone No: 03-26985033
Facsimile No: 03-26944209

APPENDIX 1

The following events as set out in Paragraph 9.19 of the Main LR must be immediately announced to the Bursa Malaysia:-

- 1) Any intention to fix a books closing date and its reason, stating the book closing date, which must be at least 10 market days after the date of announcement to Bursa Malaysia:
- 2) Any recommendation or declaration of a dividend or distribution:
- 3) Any recommendation or decision that a dividend will not be declared:
- 4) Any change in the terms of a debt security or a convertible security:
- 5) Any re-organisation of the group structure of the Company;
- 6) Any general meeting;
- 7) All resolutions put to a general meeting of the Company and immediately after such meeting whether or not the resolutions were carried;
- 8) Any call to be made upon any of the partly paid share capital of the Company;
- 9) Any change of address or telephone number and/or facsimile number of the registered office of the Company or of any office at which the register of securities is kept:
- 10) Any proposed change of name of the Company;
- 11) Any change in the financial year end of the Company;
- 12) Any change in the composition of the board of directors of the Company.
- 13) Any change in the composition of the audit committee of the Company;
- 14) Any change in the composition of the nominating committee of the Company;
- 15) Any change or proposed change in the chief executive of the Company;
- 16) Any change or proposed change in the chief financial officer of the Company;
- 17) Any change in the company secretary or external auditors of the Company;
- 18) Any change in the independent adviser appointed by the Company pursuant to the Main LR;

- 19) Any proposed alteration of the memorandum of association or articles of association of the Company;
- 20) Any notices relating to the substantial shareholding which the Company has received;
- 21) Any notice referred to in Section 135(1) of the Companies Act 1965 which the Company has received in relation to the Company's securities listed on Bursa Malaysia;
- 22) Any commencement of winding-up proceedings or winding-up order made against the Company or any of its subsidiaries or major associated companies;
- 23) The appointment of a receiver, manager or receiver and manager, liquidator or special administrator or such other person of similar capacity over the Company, any of its subsidiaries or major associated companies;
- 24) The procurement of a court order restraining proceedings against the Company or any of its subsidiaries or major associated companies under Section 176 of the Companies Act 1965;
- 25) Any transaction requiring an announcement to be made under Chapter 10 of the Main LR;
- 26) Any acquisition (including subscription) of shares in another corporation or any other event which results in such company becoming a subsidiary of the Company;
- 27) Any disposal of share in another corporation or any other event which results in such corporation ceasing to be a subsidiary of the Company;
- 28) Any acquisition (including subscription) of shares in another listed company or any other event which results in the holding being 5% or more of the issued and paid-up-capital (excluding treasury shares) of the listed company;
- 29) Any disposal of shares in another listed company or any other event which results in the holding falling below 5% of the issued and paid-up capital (excluding treasury shares) of the listed company;
- 30) Any proposed issue or offer of securities by the Company;
- 31) Any scheme of compromise, arrangement, amalgamation or reconstruction;
- 32) Any variation of the rights attaching to a class of securities of the Company;
- 33) The level of subscription in relation to an issue or offer of securities by the Company;

- 34) The decision to allocate excess securities in relation to a rights issues by the Company and the basis of such allocation:
- 35) Any changes to the utilisation of proceeds raised by the Company from the issuance of securities that deviates by 5% or more from the original utilisation of proceeds;
- 36) A subdivision of shares or consolidation by the Company;
- 37) Any deviation of 10% or more between the profit after tax and minority interest stated in a profit estimate, forecast or projection previously announced or disclosed in public document and the announced unaudited financial statements, giving an explanation of the deviation and the reconciliation of the deviation ;
- 38) Any deviation of 10% or more between the profit or loss after tax and minority interest stated in the announced unaudited financial statements and the audited financial statements, giving an explanation of the deviation and the reconciliation of the deviation;
- 39) Any circumstances or development which are likely to materially affect the result or outcome of any prospects, revenue or profit estimate, forecast, projection or internal targets of the Company previously announced or disclosed in a public document, giving an explanation of the possible outcome arising from such circumstances or development on the prospects, revenue or profit estimate, forecast, projection on internal targets if the listed issue;
- 40) Any qualification in an external auditors' reports giving full details of such qualification;
- 41) A call of securities for redemption by the Company;
- 42) Any listing of any part of the securities of the Company or any of its subsidiaries on any other stock exchange, stating which other stock exchange;
- 43) Any material information or financial documents that is released to or lodged with any other stock exchange or other regulator which available to the public;
- 44) Any change of control in the Company;
- 45) Any agreement to sponsor a depository receipt programme ;
- 46) Any material amendment of terms of the agreement for the sponsorship of a depository receipt programme, or the termination of such programme, stating the reasons and consequences of the termination;

- 47) Any discovery of mineralisation or hydrocarbons by a listed company or its subsidiaries whose activities include exploration for natural resources stating whether any of the figures or estimates in the discovery have been verified by a geologist, or other expert, and if so, particulars of the geologist or expert;
- 48) Any pending litigation or occurrence of circumstances of a material nature in which the listed company being a mining, plantation nature or timber corporation or any of its subsidiaries may be involved which may affect its income derived from title to or possession of any of its properties, licences or concessions from governmental authorities:
- 49) Any valuation which has been conducted on the non-current assets of the Group, where the revaluation surplus or deficit will be incorporated in the financial statements of the Company;
- 50) Any material development to corporate proposals previously announced;
- 51) Any information in relation to a proposed take-over or take-over offer which is required to be announced to Bursa Malaysia pursuant to the Take-Overs and Mergers Code;
- 52) Any decision to implement a share grant scheme;
- 53) Any decision to terminate a share grant scheme before its expiry; and
- 54) Any options or shares offered under a share issuance scheme.