

## VESTLAND BERHAD

### CONTINUING DISCLOSURE OBLIGATIONS

#### 1.0 INTRODUCTION

These Continuing Disclosure Obligations Procedures ("Procedures") aim to (a) document the system which is now in place in Vestland Berhad ("Company"); and (b) set out further guidelines for monitoring the developments in our business so that potentially inside information/transactions can be promptly escalated up the organization and the Board of the Directors ("Board") of the Company for consideration and action in order to ensure compliance with the continuing disclosure obligations under the Rules Governing the Listing of Securities ("Listing Rules") on Bursa Securities Malaysia Berhad ("Bursa") and the disclosure of inside information of the Securities Commission Act ("SCA").

#### 2.0 PROCEDURES

##### 2.1 PRINCIPLES OF DISCLOSURES

The Company is aware of its disclosure obligations under the Listing Rules and the SCA and the statutory obligations to disclose inside information as soon as reasonably practicable after the information has come to its knowledge. In this respect, the Company has continuing disclosure obligations to announce the information necessary to avoid a false market in its securities as soon as reasonably practicable, where in the view of the Bursa there is or there is likely to be a false market in its securities.

The Company conducts its affairs with close regard to the "*Guidelines on Continuing Disclosure*" issued by the Bursa.

The Company has adopted a policy of communications by pursuing the broad, non-exclusionary distribution of information to the public. This is referred to as the Company's Shareholders Communication Policy.

##### 2.2 INSIDE INFORMATION

Inside information ("Inside Information"), in relation to a listed corporation, means specific information about the corporation, its shareholder or officer, or its listed securities or derivatives, which is not generally known to the persons who are accustomed, or would be likely, to deal in the corporation's listed securities but would, if generally known to them, be likely to materially affect the price of the corporation's listed securities.

Examples of Inside Information in **Appendix A** attached hereto but please note that they are not exhaustive.

The guiding principle is that information which is expected to constitute Inside Information under the Listing Rules or the SCA will be announced as soon as reasonably practicable after it becomes known to the Board of the Company and/or is the subject of a decision by the Board of the Company.

## 2.3 DISCLOSURE REQUIREMENT OF INSIDE INFORMATION

### (a) Timing – As soon as Reasonably Practicable

The Company must disclose to the public "as soon as reasonably practicable" any Inside Information that has come to its knowledge.

"As soon as reasonably practicable" means that the Company should immediately take all steps that are necessary in the circumstances to disclose the information to the public. For example, if the Company faces an event that might significantly affect its business and operations, the necessary steps which the Company should immediately take prior to the issue of a public announcement may include ascertaining sufficient details, internal assessment of the matter and its likely impact, seeking professional advice where required and verification of the facts.

Inside Information is considered to have come to the Company's knowledge when:

- (i) one or more of its officers knows or ought reasonably to have known such information in the course of performing functions as officers of the Company; and
- (ii) a reasonable person, acting as an officer of the Company, would consider that such information is Inside Information in relation to the Company.

An "officer", in relation to a corporation, means a "director, manager or secretary of, or any other person involved in the management of, the corporation" ("Officers").

### (b) Manner – Equal, Timely and Effective Access by the Public

The Company will announce Inside Information via the electronic publication system operated by the Bursa and then publish such information on the Company's website within one hour following such announcement.

## 2.4 ROLES AND RESPONSIBILITIES

The parties responsible for administering the Procedures are as follows:

- (a) **the Board** is ultimately responsible for ensuring that adequate and effective systems are in existence and implemented to maintain compliance with the disclosure obligations of the Company and decides whether or not a transaction, development or event constitutes Inside Information and disclosure of which shall be made as soon as reasonably practicable, and when a trading halt or suspension is required.
- (b) **the Executive Committee** and/or the designated executives of the Company, that is Managing Director, Executive Director, Chief Financial Officer and Company Secretary ("Designated Executives") are responsible for assisting the Board in reviewing potential Inside Information and assessing the need for disclosure and to oversee the internal reporting system and procedures.
- (c) **the Managing Director** is responsible for assessing materiality and advising the Board on whether or not a transaction, development or event constitutes Inside Information. The Managing Director is the authorized spokesperson for the Company. In the absence of the Managing Director, the Executive Director shall be authorized to act as the authorized spokesperson in his place to deal with any pressing agenda/event facing the Company.

- (d) **the Chief Financial Officer** is responsible for establishing and maintaining the financial reporting framework and procedures to ensure a structured flow of financial and operational data required for appraising the Company's financial position, and monitoring any material changes in the Company's financial performance which are required to be brought promptly to the Audit Committee's, Board's and/or the Managing Director's attention.
- (e) **the Company Secretary** is the liaison officer in terms of communications with the regulators in respect of matters related to the Company as a listed issuer and is responsible for ensuring that there is full, accurate and timely release of Inside Information in accordance with the disclosure requirements under Listing Rules. The Company Secretary is also responsible for making recommendations on amendments to the Procedures, if necessary, in order to ensure strict compliance with the changing regulatory requirements. The Company Secretary shall help the relevant employees to understand the Company's policies and procedures in relation to Inside Information as well as such employees' disclosure duties and obligations.
- (f) **Heads of Lines of Business** are responsible for establishing effective systems, controls, and procedures within their respective lines of business to
  - (i) enable them to monitor continuously any changes in their respective areas of operation that would result in any information potentially becoming Inside Information which is required to be brought to Executive Committee's and/or the Designated Executives' attention in a timely manner; and
  - (ii) ensure that there are proper safeguards to preserve the confidentiality of any unpublished or potential Inside Information.

*Important: If a breach of the disclosure obligation of the Company is attributable to (i) a failure by any Officer to take all reasonable measures to ensure that proper safeguards exist; or (ii) any intentional, reckless or negligent conduct of any Officer, **the Officers concerned would also be liable.***

## 2.5 REPORTING OF INSIDE INFORMATION

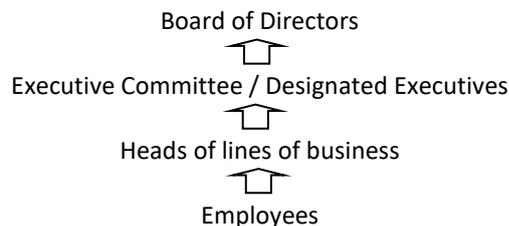
### (a) Regular Reports

Regular reports are prepared by employees for a variety of functional reasons, which help identify Inside Information. The regular reports include:

- (i) monthly reports provided by each line of business to the Managing Director, which include updates and analyses of the ongoing development and performance of the projects and initiatives being undertaken;
- (ii) monthly management accounts provided by the Chief Financial Officer to Board members upon request, which include variance analyses of the Company's financial and operational performance against the budget and the results of the corresponding period of the preceding year; and
- (iii) Report provided by the Managing Director to the Board, which include a review of the Company's major events, projects and initiatives.

**(b) Events Occur between Regular Reporting**

- (i) As soon as employees become aware of actual or potential Inside Information ("Relevant Information"), they must report the Relevant Information to their respective Heads of Lines of Business.
- (ii) Head of Lines of Business shall then conduct a preliminary assessment of the Relevant Information received. In case of doubt, the matter should be referred to the Executive Committee and/or the Designated Executives for determination.
- (iii) Upon receiving notification of the Relevant Information, the Executive Committee and/or the Designated Executives shall review and decide whether the Relevant Information must be disclosed, as well as when and how the Relevant Information shall be released, and shall give its recommendation to the Board.
- (iv) The Board shall then review the recommendation and decide (1) whether the Relevant Information should be disclosed; and/or (2) whether any other appropriate action(s) should be taken.
- (v) During the evaluation of, and before disclosure of, the Relevant Information, the Board, the Executive Committee and/or the Designated Executives will maintain the confidentiality of the Relevant Information and restrict access to the Relevant Information to a limited number of employees on a need-to-know basis. All such employees must ensure that the Relevant Information is not communicated to any external parties unless with approval from the Executive Committee and/or the Designated Executives. Email communication shall be marked "confidential". All employees shall not respond to market speculation or rumors unless authorized to do so.
- (vi) Minutes of the Board and the Executive Committee on the assessment of the Relevant Information including the steps taken in preserving and monitoring confidentiality shall be kept by the Company Secretarial Department.
- (vii) Set out below is a diagram showing the reporting channel:


**2.6 MAINTAINING CONFIDENTIALITY AND DEALING RESTRICTIONS**

Access to Inside Information shall be restricted to those who need to have access to it and recipients of the Inside Information must be informed that such information is confidential and must recognize their obligations to maintain the confidentiality of such information.

A confidentiality agreement with external third parties have to be entered into when Officers are negotiating on potential transactions on behalf of the Company with external third parties. External third parties will be required to undertake to keep all information relating to the potential transactions confidential.

The Company has strict prohibitions on the unauthorized use or disclosure of confidential information. Any director, employee or external third party must not deal in the Company's securities when they are in possession of unpublished Inside Information.

## **2.7 HANDLING OF RUMOURS**

There is no obligation to respond to media speculation, market rumors or analysts' reports. However, the Company may issue a "clarification" announcement to:

- (a) correct significant errors that have been circulating publicly, which has led to a widespread and serious misapprehension in the market; or
- (b) respond to a formal request for clarification from the SC or the Bursa.

In case the Company has knowledge of, or is in possession of, Inside Information, and the press speculation or market rumors are largely accurate, it is likely that matters intended to be kept confidential have been leaked, and in such circumstance, public disclosure is required.

## **2.8 BLACK OUT PERIOD**

Black Out Period refers to the longer period between the following:

- (a) For annual results, 60 days before publication of the results or, if shorter, the period from the financial year end up to the date of publication; and
- (b) For quarterly and half-year, 30 days before publication of the results, or, if shorter, the period from the financial period end up to the date of publication.

During the Black Out Period, the Company has sustained responsibilities as with any other period. In particular, during this period, the Company shall not disclose unpublicized information concerning the Company's prospect (especially profit forecast) to certain analysts or investors.

## **2.9 QUERIES AND REVIEW**

If, at any time, Directors or employees have any queries regarding their reporting obligations, they should contact the Company Secretary immediately. Officers are encouraged to read the "Guidelines on Continuing Disclosure" published by the Bursa.

The Procedures shall be reviewed by the Company Secretary which will make recommendations on amendments thereto, if necessary.

**APPENDIX A**

There are many events and circumstances which may affect the price of the listed securities of a corporation. Such events or circumstances may be classified as Inside Information. The following are common examples of such events or circumstances where a corporation should consider whether a disclosure obligation arises:

- (1) Changes in performance, or the expectation of the performance, of the business;
- (2) Changes in financial condition, for example cash flow crisis, credit crunch;
- (3) Changes in control and control agreements;
- (4) Changes in directors and (if applicable) senior management;
- (5) Changes in directors' service contracts;
- (6) Changes in auditors or any other information related to the auditors' activity;
- (7) Changes in the share capital, for example new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction;
- (8) Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities;
- (9) Takeovers and mergers (the Company will also need to comply with the Takeovers Codes that include specific disclosure obligations);
- (10) Purchase or disposal of equity interests or other major assets or business operations;
- (11) Formation of a joint venture;
- (12) Restructurings, reorganizations and spin-offs that have an effect on the Group's assets, liabilities, financial position or profits and losses;
- (13) Decisions concerning buy-back programs or transactions in other listed financial instruments;
- (14) Changes to the memorandum of association and bye-laws of the Company;
- (15) Filing of winding up petitions, the issuing of winding up orders or the appointment of provisional receivers or liquidators;
- (16) Legal disputes and proceedings;
- (17) Revocation or cancellation of credit lines by one or more banks;
- (18) Changes in value of assets (including advances, loans, debts or other forms of financial assistance);
- (19) Insolvency of relevant debtors;
- (20) Reduction of real properties' values;
- (21) Physical destruction of uninsured goods;
- (22) New licenses, patents, registered trademarks;
- (23) Decrease or increase in value of financial instruments in portfolio which include financial assets or liabilities arising from futures contracts, derivatives, warrants, swaps protective hedges, credit default swaps;
- (24) Decrease in value of patents or rights or intangible assets due to market innovation;
- (25) Receiving acquisition bids for relevant assets;
- (26) Innovative products or processes;
- (27) Changes in expected earnings or losses;
- (28) Orders received from customers, their cancellation or important changes;
- (29) Withdrawal from or entry into new core business areas;
- (30) Changes in the investment policy;
- (31) Changes in the accounting policy;
- (32) Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy;
- (33) Pledge of the Company's shares by controlling shareholders; or
- (34) Changes in a matter which was the subject of a previous announcement.