

1.0 INTRODUCTION

Corporate Governance has become the centre of attention and there is a great demand for transparent corporate disclosure of business reporting.

Disclosure to shareholders and stakeholders is essential and stood as the principal means by which companies can become transparent. All public listed companies in Malaysia are required to observe and comply with the Corporate Disclosure Policy (“**CDP**”) as set out in Paragraph 9.02 of the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Listing Requirements (“**Listing Requirements**”). The essence of CDP is to provide certain provision in maintaining high standard of governance as well as to enhance corporate credibility and investor confidence to BHB.

BIMB Holdings Berhad (“**BHB**”) CDP (or “**Policy**”) model adopts the CDP set out in Paragraph 9.02 of the Listing Requirements. The rule of thumb is that through the CDP, BHB must continuously disclose on timely and accurate disclosure of all material information necessary for informed investing and take reasonable steps to ensure that all who invest in its securities enjoy equal access to such information.

2.0 PURPOSE

The CDP is formulated to enhance the standard of BHB’s corporate governance particularly in the area of transparency disclosures to the public. The purposes of CDP are as follows:-

- 2.1 To enable shareholders and stakeholders to assess to the company’s business information including financial reporting and other corporate reporting disclosure.
- 2.2 To maintain an effective communications policy that enables both the board and management to communicate effectively with its shareholders, stakeholders and the public.
- 2.3 To provide timely disclosure of material information is critical towards building and maintaining corporate credibility and investor confidence.

3.0 CDP

- 3.1 BHB must, in accordance with the Listing Requirements, disclose to the public all material information necessary for informed investing and take reasonable steps to ensure that all who invest in its securities enjoy equal access to such information.
- 3.2 BHB must adhere to the following 6 specific policies concerning disclosure as set out in the Listing requirements, which are as follows:
 - 3.2.1 immediate disclosure of material information;

- 3.2.2 thorough public dissemination;
 - 3.2.3 clarification, confirmation or denial of rumours or reports;
 - 3.2.4 response to unusual market activity;
 - 3.2.5 unwarranted promotional disclosure activity; and
 - 3.2.6 insider trading.
- 3.3 Immediate Disclosure of Material Information
- 3.3.1 BHB must make immediate public disclosure of any material information, except as set out in Paragraph 3.5 below.
 - 3.3.2 Information is considered material, if it is reasonably expected to have a material effect on:
 - 3.3.2.1 The price, value or market activity of any BHB's securities; or
 - 3.3.2.2 The decision of a holder of securities of BHB or an investor in determining his choice of action.
 - 3.3.3 Without limiting the generality of subparagraph 3.3.2 above, material information may include information which:-
 - 3.3.3.1 concerns BHB's assets and liabilities, business, financial condition or prospects;
 - 3.3.3.2 relates to dealings with employees, suppliers, customers and others;
 - 3.3.3.3 relates to any event affecting the present or potential dilution of the rights or interests of BHB's securities; or
 - 3.3.3.4 relates to any event materially affecting the size of the public holding of its securities.
- 3.4 The examples of events which may require immediate disclosure by BHB are as follows:-
- 3.4.1 the entry into a joint venture agreement or merger;
 - 3.4.2 the acquisition or loss of a contract, franchise or distributorship rights;
 - 3.4.3 the introduction of a new product or discovery;

- 3.4.4 a change in management;
- 3.4.5 the borrowing of funds;
- 3.4.6 the commencement of or the involvement in litigation and any material development arising from such litigation;
- 3.4.7 the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings;
- 3.4.8 the purchase or sale of an asset;
- 3.4.9 a change in capital investment plans;
- 3.4.10 the occurrence of a labour dispute or disputes with sub-contractors or suppliers;
- 3.4.11 the making of a tender offer for another corporation's securities;

3.5 Withholding of material information

- 3.5.1 BHB may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained. Where material information is withheld, BHB must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time.
- 3.5.2 The exceptional circumstances where disclosures can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate public disclosure. In cases of doubt, the presumption must always be in favour of disclosure.
- 3.5.3 The following are some exceptional circumstances where disclosure may be temporarily withheld:-
 - 3.5.3.1 when immediate disclosure would prejudice the ability of BHB to pursue its corporate objectives. Public disclosure of a plan to acquire certain real estate for example, could result in an increase in BHB's cost of the desired acquisition or could prevent BHB from carrying out the plan at all. In such circumstances, if the unfavourable result to BHB outweighs the undesirable consequences of non-disclosure, disclosure may properly be deferred to a more appropriate time;

3.5.3.2 when the facts are in a state of flux and a more appropriate moment for disclosure is imminent. Occasionally, corporate developments give rise to information which, although material, is subject to rapid change. If the situation is about to stabilise or resolve itself in the near future, it may be proper to withhold public announcement until a firm announcement may be made, since successive public announcements concerning the same subject but based on changing facts may confuse or mislead the public rather than enlighten it. In the course of a successful negotiation for the acquisition of another corporation, for example, the only information known to each party at the outset may be the willingness of the other to hold discussions. Shortly after that, it may become apparent to the parties that it is likely an agreement can be reached. Finally, an agreement in principle may be reached on specific terms. In such circumstances BHB need not issue a public announcement at each stage of the negotiations, describing the current state of constantly changing facts but may await agreement in principle on specific terms. If, on the other hand, progress in the negotiations should stabilise at some other point, disclosure should then be made if the information is material; or

3.5.3.3 where company or securities laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies.

3.6 Maintaining Confidentiality

3.6.1 Whenever material information is being temporarily withheld, BHB must ensure that the strictest confidentiality is maintained.

3.6.2 BHB should limit the number of people with access to the material information and ensure the security of all confidential documents.

3.6.3 Notwithstanding paragraph 3.5 above, in the event that material information is or is believed to have been inadvertently disclosed to third parties or where the material information has become generally available through the media or otherwise, BHB must immediately announce the information to Bursa Securities.

3.7 Monitoring of market activity and making of announcements

3.7.1 During a period where information is withheld, the market activity of BHB's securities must be closely monitored. BHB must immediately announce the information withheld to Bursa Securities, in the following circumstances:-

3.7.1.1 unusual market activity in BHB's securities which signifies that a "leak" of the information may have occurred;

3.7.1.2 rumours or reports concerning the information have appeared; or

3.7.1.3 where BHB learns that there are signs that insider trading may be taking place.

3.8 Thorough public dissemination

3.8.1 BHB must release material information to the public in a manner designed to obtain its fullest possible public dissemination.

3.8.2 BHB must ensure that no disclosure of material information is made on an individual or selective basis to analysts, shareholders, journalists or other persons unless such information has previously been fully disclosed and disseminated to the public. In the event that material information is inadvertently disclosed on the occasion of any meetings with analysts, shareholders, journalists or others, it must be publicly disseminated as promptly as possible.

3.8.3 There may be limited circumstances where selective disclosure of material information is necessary, for example where BHB is undertaking a corporate exercise or to facilitate a due diligence exercise. In such circumstances, BHB must ensure that the disclosure is restricted to only relevant persons and the strictest confidentiality is maintained.

3.8.4 Disclosures of material information can often be made after the market closes. If the disclosure is made immediately before or during trading hours, the Bursa Securities may impose a temporary halt or suspension in trading of BHB's securities. Such a temporary halt or suspension provides an opportunity for the dissemination and evaluation of the information released.

3.8.5 Any public disclosure of material information must be made by an announcement first to Bursa Securities or simultaneously to Bursa Securities, the press and newswire services. For the avoidance of doubt, BHB must not release any material information to the media even on an embargoed basis until it has given the information to Bursa Securities.

3.9 Clarification, confirmation or denial of rumours or reports

- 3.9.1 Whenever BHB becomes aware of any rumour or report, true or false, that contains material information, BHB must make due enquiry and immediately publicly clarify, confirm or deny the rumour or report.
- 3.9.2 For the purpose of subparagraph (1) above, BHB must publicly clarify any rumour or report which is in any form whatsoever and howsoever including that by word-of-mouth and not limited to an article or otherwise, published in a newspaper, newswire, magazine, a broker's market report or any other publication.

3.10 Response to rumour or report

- 3.10.1 In the case of a rumour or report containing erroneous material information which has been circulated, BHB must immediately announce to Bursa Securities 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 must 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 should 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.
- 3.10.2 In the case of a rumour or report containing material information that is correct, an announcement setting forth the facts must be prepared for public release, which must include but not be limited to, an indication of the state of negotiations or of corporate plans in the rumoured area. Such announcements are essential even if the matter has yet to be presented to BHB's board of directors for consideration.
- 3.10.3 In the case of a rumour or report predicting future sales, earnings or other quantitative data, no response from BHB is ordinarily required. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to BHB, BHB must respond promptly to the supposedly factual elements of the rumour or report as required under paragraph 3.09 and this paragraph 3.10. In addition, BHB must include in the announcement a statement to the effect that the BHB itself has made no such prediction and currently knows of no facts that would justify making such a prediction.

3.11 Unusual market activity

3.11.1 Where unusual price movement, trading activity, or both (“**unusual market activity**”) occurs, BHB must immediately undertake a due enquiry to seek the cause of the unusual market activity in its securities. BHB must consider in particular whether there is any information concerning BHB which would account for the unusual market activity that:-

3.11.1.1 has recently been publicly disclosed;

3.11.1.2 has not been publicly disclosed (in which case the unusual market activity may signify that a “leak” has occurred); or

3.11.1.3 is the subject matter of a rumour or report.

3.11.2 If BHB determines that the unusual market activity results from material information that has already been publicly disclosed pursuant to these Requirements, generally no further announcement is required, although, if the unusual market activity indicates that such information may have been misinterpreted, BHB must issue a clarifying announcement to Bursa Securities.

3.11.3 If the unusual market activity results from a “leak” of previously undisclosed information, the information in question must be publicly disclosed by BHB in accordance with these Requirements.

3.11.4 If the unusual market activity results from a rumour or report, BHB must comply with paragraphs 3.09 and 3.10 above.

3.11.5 Finally, if BHB is unable to determine the cause of the unusual market activity, BHB must announce that there have been no undisclosed developments which would account for the unusual market activity.

3.12 Promotional disclosure activity

3.12.1 BHB must refrain from promotional disclosure activity in any form whatsoever or howsoever which may mislead investors or cause unwarranted price movement and activity in BHB’s securities.

3.12.2 Such activity includes news releases, public announcements, predictions, reports or advertisements which are:-

3.12.2.1 not justified by actual developments concerning BHB;

3.12.2.2 exaggerated;

3.12.2.3 flamboyant;

3.12.2.4 overstated; or

3.12.2.5 over-zealous.

3.13 Hallmarks of promotional disclosure activity

3.13.1 Although the distinction between legitimate public relations activities and such promotional disclosure activity is one that must necessarily be drawn from the facts of a particular case, the following are frequent hallmarks of promotional activity:-

3.13.1.1 a series of public announcements unrelated in volume or frequency to the materiality of actual developments concerning BHB;

3.13.1.2 announcement of products still in the development stage with unproven commercial prospects;

3.13.1.3 promotions and expense-paid trips, or the seeking out of meetings or interviews with analysts and financial writers, which could have the effect of unduly influencing the market activity in BHB's securities and are not justified in frequency or scope by the need to disseminate information about actual developments concerning BHB;

3.13.1.4 press releases or other public announcements of a one-sided or unbalanced nature; and

3.13.1.5 BHB's or product advertisements which in effect promote the BHB's securities.

3.14 Insider Trading (Prohibitions under the law)

3.14.1 BHB and parties who may be regarded as insiders must be fully aware of the provisions of the Capital Market and Services Act, 2007 ("**CMSA**") and the Companies Act 1965.

3.14.2 For the purpose of this Part, "**insider**" has the meaning given under section 188 of the CMSA.

3.15 Prohibition from trading

3.15.1 Insiders must not trade on the basis of material information which is not known to the investing public.

4 ALTERATION

- 4.1 Any alteration or amendments to this CDP, shall first be presented to the Board of Directors of BHB, for its approval.
- 4.2 Upon the Board's approval, the said alteration or amendments shall form part of this CDP and this CDP shall be considered duly revised or amended.