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INTRODUCTION

Objectives of the Corporate Disclosure Guide (“CD Guide”)

1. As stated in the Organisation For Economic Co-Operation and Development (“OECD”) Corporate Governance Principles, a strong disclosure regime that promotes real transparency is a pivotal part of market-based monitoring of companies and is central to shareholders’ ability to exercise their ownership rights on an informed basis.

2. The sustainability of the Malaysian capital market depends on our ability to maintain and improve the quality of our market. Timely disclosure of material information is critical towards building and maintaining corporate credibility and investor confidence. Besides maintaining confidence in our capital market, a strong disclosure regime will also help attract capital to our market.

3. The importance of corporate disclosure is reflected in the corporate disclosure framework under Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Main LR”) and ACE Market Listing Requirements (“ACE LR”).

4. Whilst the Main LR and ACE LR (collectively the “LR”) set out the mandatory requirements for disclosure and prescribe the minimum disclosure requirements for certain transactions or events, the quality of disclosure depends to a large extent, on the information provided by listed issuers. The disclosure required under the LR is only the minimum standard. To be meaningful, disclosure requirements must be embraced by listed issuers in substance and not just form.

5. Therefore, disclosure by listed issuers should be aimed at providing shareholders and investors with comprehensive, accurate and quality information on a timely and even basis, and not at merely meeting the minimum requirements under the LR. In fact, timely disclosure of accurate and quality information is in the listed issuers’ interest for maintenance of investor confidence. Investors will generally accord a premium to listed issuers which demonstrate greater transparency and accountability through good disclosure practices.

6. This CD Guide is issued to assist listed issuers elevate their standards of disclosure. Hence, the focus of this CD Guide is on both timeliness and quality of disclosure.

7. Through this CD Guide, it is our hope that the following objectives will be achieved:

(a) the quality and timeliness of listed issuers’ disclosures are improved and there is greater parity in the standards of disclosure in the marketplace;

(b) listed issuers will have in place efficient procedures for management of information which at the same time, promotes accountability for the disclosure of material information; and

(c) listed issuers will build good investor relations with the investing public that inspires trust and confidence.

8. This CD Guide clarifies and illustrates the application of the disclosure requirements under the LR through providing best practices, guidance and illustrations. It takes into account the issues we see and seek to address in the market place.

9. This CD Guide also incorporates the applicable best practices recommended under the Best Practices in Corporate Disclosure issued in July 2004.
10. This CD Guide does not in any way amend or vary a listed issuer's obligations under the LR. A listed issuer is still required to exercise its own judgment on what constitutes material information and when disclosure is required. In case of doubt, listed issuers should consult with our Listing officers at Bursa Securities.

11. This CD Guide is divided into 6 chapters and appendices as follows:

(a) Chapters 1 to 4 which set out the guidance on listed issuers’ continuing disclosure obligations and the corporate disclosure policy, including clarifications and discussions on issues relating to particular situations that may require disclosure, to illustrate Bursa Securities’ views and expectations on the application of the disclosure provisions in the LR. The scope of each chapter is as follows:

- Chapter 1 - “Immediate Disclosure of Material Information” provides guidance on how to undertake a materiality assessment and when to make the announcement.
- Chapter 2 - the “Contents of Announcements or Circular” emphasises compliance of disclosure obligations in substance rather than in form and prescribes the minimum content to be included in certain announcements.
- Chapter 3 - “Corporate Disclosure Policy” sets out Bursa Securities’ expectations on the application of the Corporate Disclosure Policy in the LR.
- Chapter 4 - “Other Disclosure Guidance” gives guidance and clarification on what a listed issuer should do to comply with its disclosure obligations for certain specific events.

(b) Chapters 5 and 6 which set out guidance on financial disclosures. The scope of each chapter is as follows:

- Chapter 5 - “Quality of Financial Disclosures” amplifies the role of the board of directors in ensuring that financial statements are prepared in a timely manner and represent a true and fair view of the state of affairs of the listed issuer. Recommendations on areas or contents of specific financial disclosures are also provided.
- Chapter 6 - “Presentation and Content of the Management Discussion and Analysis (MD&A)” advocates inclusion of the Management Discussion and Analysis in the annual reports. Contents of the MD&A are also provided as guidance.

(c) A section on the “Key Take-Aways” from this CD Guide which summarises the key points of each chapter in this CD Guide.

(d) Appendices with examples and case studies of the operation and application of the continuing disclosure framework.
IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION
Background / Overview

1.1 Timely, complete and accurate disclosure is key to an orderly and fair market for the trading of securities. Hence, listed issuers should use their best endeavours to provide investors and the public with accurate and complete information on a timely and even basis, and not merely to meet the minimum regulatory requirements for disclosure. It is in the listed issuers’ best interest to provide high quality and timely disclosures as investors often accord premium ratings to listed issuers that are transparent and open.

1.2 In this regard, the LR imposes the following key continuing disclosure requirements on a listed issuer:

(a) announce immediately any material information;¹

(b) announce immediately the occurrence of events prescribed under the LR;²

(c) announce immediately transactions which trigger the prescribed materiality threshold;³ and

(d) announce, on a periodic basis, its financial statements and annual reports.⁴

The obligations imposed for each category of disclosure requirements differ from one to another.

1.3 This CD Guide seeks to provide guidance to listed issuers on:

(a) how to assess whether a particular information is material and warrants an immediate announcement;

(b) when to make the announcement including when to withhold making the announcement;

(c) the minimum content to include in the announcements; and

(d) how to comply in substance rather than in form when making disclosures pertaining to transactions.

¹ The term “announce” in this CD Guide refers to a listed issuer making the disclosures through Bursa LINK.
² See paragraph/Rule 9.03 of the LR. For easy reference, the term “paragraph/Rule of the LR” when used in this CD Guide means the respective paragraph of the Main LR and Rule of the ACE LR.
³ See paragraph/Rule 9.19 of the LR.
⁴ See Chapter 10 of the LR.
⁵ See paragraphs/Rules 9.22 and 9.23 of the LR.
Obligation to Make Immediate Announcement

1.4 There are 2 types of material disclosure requirements under the LR. First is where a listed issuer is required to undertake a materiality assessment of the information before making an announcement. Secondly is where a listed issuer must announce any information which has been predetermined under the LR to be material.

1.5 Transactions entered into by a listed issuer or its subsidiary under Chapter 10 of the LR is an instance where the materiality has been predetermined for purposes of disclosure. The disclosure obligations for transactions depend on the type of transaction and its materiality, which is measured by applying specific percentage ratios. Hence, an announcement is required if the transaction triggers the prescribed percentage ratio applicable for that type of transaction. The announcement must contain the minimum information set out in the appendices to Chapter 10 of the LR.

1.6 For the prescribed events set out in paragraph/Rule 9.19 of the LR, the listed issuer must immediately announce the event to Bursa Securities, upon its occurrence. This is another instance where the materiality of the event has been predetermined and no assessment of materiality is needed.

1.7 For the general matters or events which have no predetermined materiality, the listed issuer must apply the principle for assessing materiality under the LR, to determine whether an announcement is required. This is set out in paragraph/Rule 9.03 of the LR. Pursuant to the requirement, a listed issuer must make immediate announcement of material information. Essentially, this requirement comprises 2 components:

(a) materiality; and

(b) timeliness.

1.8 For the materiality component, paragraph/Rule 9.03(2) of the LR sets out the general principle as follows:

An information is considered material if it is reasonably expected to have a material effect on the:

(a) price, value or market activity of any of its securities; or

(b) investor’s decision in determining his choice of action.

Why is there a need for a general materiality principle?

Materiality of an information in question varies vis-a-vis one listed issuer to another, depending on a variety of factors such as the size of the listed issuer, and the business and sector in which it operates. What may constitute material information to one listed issuer may be immaterial to another. It is not possible for Bursa Securities to prescribe a materiality threshold for all circumstances. Deciding on what information is material requires the exercise of judgment. Hence, it is necessary for the listed issuer to undertake the materiality assessment.
1.9 There are many events which can affect the price, value and market activity of a listed issuer’s securities. Some common examples of events which may require immediate announcement are set out in paragraph/Rule 9.04 of the LR. In addition to that, we have set out below further examples of events or circumstances where the listed issuer should assess and consider whether an immediate disclosure is required.

**GUIDANCE**

Events which may require immediate announcement

- A natural disaster such as a fire, flood, landslide, earthquake and the like, or a major market upheaval in the industries, countries or regions where the listed issuer has operations or transactions;
- Any change of accounting policy or adoption of new accounting standards;
- An event beyond the control of the listed issuer such as a fuel price increase or interest rate hike; or
- A change in dividend policy.
1.10 The above examples and those cited in the LR are indicative and by no means exhaustive. The fact that an event is not listed as an example does not mean it is not material. Nor does inclusion as an example automatically mean that it is material information.

1.11 In making the assessment of whether an event or information is material for the purpose of announcement, it is important for the listed issuer to take into account relevant factors such as the following:

(a) the anticipated impact of the information on the listed issuer’s entire scope of activities;

(b) the anticipated impact of the information on the listed issuer’s financial position or performance; or

(c) the relevance of the information on the factors that determine the price of the listed securities.

1.12 As further guidance, we set out some factors which a listed issuer may consider when undertaking the materiality assessment, in respect of some commonly occurring events that are currently cited as examples of events that may require disclosure under paragraph/Rule 9.04 of the LR.

GUIDANCE

(a) Award of contract

A listed issuer should announce any contract awarded to it if it expects the contract to have a material impact on its financial performance or operations. In determining its materiality, a listed issuer should assess the contribution of the particular contract to its annual revenue and profits.

Example:

A listed issuer has been awarded a contract valued at RM300 million over a 3 year period to construct an express highway. The listed issuer’s latest annual revenue is RM1.2 billion. The contract value is approximately 25% of its latest annual revenue.

The listed issuer should announce the contract immediately upon receipt of the award of contract.

(b) Borrowing of funds

A listed issuer must announce any borrowing of funds (including debt papers) which is material. In determining whether a borrowing of funds is material, a listed issuer should take into account, among others, the following:

• the increase in the level of borrowings i.e. increase in its gearing ratio;

• the industry in which it operates, for example, borrowing of funds for a listed issuer that is involved in the trading services business may be deemed material as compared to a listed issuer that is in a capital intensive industry such as airline or shipping businesses; and

• its financial condition.

(c) Commencement of or involvement in litigation

A listed issuer must announce the commencement or involvement in litigation if the estimated potential liability of the litigation to the group is material.

See paragraph/Rule 9.04(b) of the LR.

See paragraph/Rule 9.04(e) of the LR.

See paragraph/Rule 9.04(f) of the LR.
1.13 Listed issuers should avoid applying the disclosure requirements in the LR in a mechanical manner. Taking transactions entered into by listed issuers as an illustration, even though Chapter 10 does not require an announcement of the transaction, this does not automatically mean that no announcement is required at all. If Chapter 10 is not applicable, a listed issuer should then assess whether the transaction is material based on the general test of materiality set out in paragraph/Rule 9.03 of the LR. See Illustration 1 below.

ILLUSTRATION 1

A listed issuer whose core business is in airline or shipping, enters into a non-related party transaction to acquire or dispose of an aircraft or vessel. Under Chapter 10 of the LR, the listed issuer is not required to make an announcement of the non-related party transaction as it is of a revenue nature and transacted in the ordinary course of business.

However, the listed issuer should undertake the materiality assessment under paragraph/Rule 9.03 of the LR by taking into account all relevant factors specific to the listed issuer, including the factors set out in paragraph 1.11 of this CD Guide above, to determine whether the acquisition or disposal is material and requires immediate announcement. In this regard, the listed issuer should assess whether the acquisition or disposal may, among others, potentially have an immediate impact on its financial condition (such as gearing, cash flow and revenue).

In determining whether the potential liability is material, a listed issuer should undertake the materiality assessment by taking into account objective and subjective factors. What this means is that a listed issuer should consider not just the value involved, but also the impact of the relief or orders sought.

For example, where an injunction is sought to prohibit a listed issuer from infringing another party’s trade mark, the listed issuer must announce the injunction even though the value of the matter may be small. This is because the impact of such injunction on the listed issuer is significant as the business operations of the listed issuer may be affected. This will be the case where the listed issuer is required to cease manufacturing an item which is infringing the trade mark in compliance with the injunction order.

Other instances are, if the litigation is indicative of lack of financial resources to meet the listed issuer’s obligations or lack of operations in the listed issuer.

1.14 If a listed issuer is unable to ascertain whether the information is material or when in doubt, the listed issuer should announce the information to Bursa Securities for the benefit of the investing community.

1.15 A listed issuer should also avoid putting itself in a position where it is bound by confidentiality obligations that may defeat its obligation to disclose material information on an immediate basis.
Timeliness of the Announcements

1.16 In addition to the materiality of the information, the timing of the release of an announcement is also crucial. A listed issuer must be mindful of the overriding principle that material information must be announced immediately. The listed issuer should not delay or defer announcing the material information until issuance of its periodic reports, for instance.

“A listed issuer must be mindful of the overriding principle that material information must be announced immediately.”

GUIDANCE

A listed issuer should be aware that material information or an event that has material impact on it may emerge during the preparation of periodic financial information. In such a situation, the listed issuer should immediately announce the information or event even though its quarterly report will be released shortly after that. The listed issuer should not wait until issuance of its quarterly report to announce the material information or event.

“Avoid putting itself in a position where it is bound by confidentiality obligations that may defeat its obligation to disclose material information on an immediate basis.”

9 Periodic reports in this CD guide include the quarterly reports, annual audited accounts and annual reports of the listed issuer.
1.17 As a general guide, the table below sets out when a listed issuer should make an immediate announcement of certain material events.

GUIDANCE
Immediate announcement of common events where they are considered material:

<table>
<thead>
<tr>
<th>Events</th>
<th>Timing of Announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Borrowing of funds</td>
<td>Upon acceptance of the terms including execution of the letter of offer. In the absence of the letter of offer, upon the execution of the loan documents</td>
</tr>
<tr>
<td>(b) Commencement of or involvement in litigation</td>
<td>Upon filing or receipt of court papers (i.e. writ of summons and statement of claims)</td>
</tr>
<tr>
<td>(c) Proposal involving issuance of new securities such as a right issue</td>
<td>Upon board approval</td>
</tr>
<tr>
<td>(d) Default in payment</td>
<td>Upon occurrence of a default (even if negotiations with the lender are still pending), irrespective of whether a demand has been made by the lender</td>
</tr>
</tbody>
</table>
“Generally, an announcement of a transaction must be made once the terms of the transaction have been agreed upon.”

### Announcement of transactions:

<table>
<thead>
<tr>
<th>Events</th>
<th>Timing of Announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generally, an announcement of a transaction must be made once the terms of the transaction have been agreed upon.</td>
<td></td>
</tr>
<tr>
<td>(e) Acquisition or disposal of assets</td>
<td>Upon the terms of the acquisition or disposal being agreed on. Typically this is upon signing of the letter of offer. If there is no letter of offer, it would be upon the execution of the sale and purchase agreement</td>
</tr>
</tbody>
</table>

### Immediate announcement of prescribed events:

<table>
<thead>
<tr>
<th>Events</th>
<th>Timing of Announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>(f) Rejection of a proposal by shareholders at a shareholders’ meeting</td>
<td>Immediately, even though during trading hours, and not at the end of the day</td>
</tr>
<tr>
<td>(g) Decision by authorities on corporate proposals</td>
<td>Upon receipt of the decision</td>
</tr>
</tbody>
</table>
CONTENTS OF ANNOUNCEMENTS OR CIRCULARS
Principles of Disclosure in Announcements/Circulars

2.1 Listed issuers should take cognisance that the disclosure obligations under the LR are meant to be complied with in accordance with the spirit of the requirements. In other words, the requirements should not be interpreted in a mechanical or restrictive manner. Instead, regard must be given to the intention and purpose of the requirements – emphasis must be given to substance over form.

2.2 Hence, when making an announcement or preparing a circular pursuant to the LR, a listed issuer must be mindful and ensure that the information contained in its announcement or circular is accurate and complete. This is because the disclosure of incomplete or inaccurate information may create confusion to the market and undermine the principle of orderly and fair market.

2.3 As listed issuers would be aware, the purpose of providing disclosure is not merely a compliance or “box-ticking” exercise. It is aimed at ensuring that the investing public has a good understanding of the information disclosed.

The test is for the listed issuer to put itself in the shoes of the investing public and determine whether the information disclosed is adequate to assess and understand the transactions or events taking place. The disclosures made must also be presented in a clear and balanced way. “Balanced” requires the disclosure of both positive and negative information.

2.4 There is, however, a tendency by listed issuers to provide only the minimum level of disclosure as opposed to sufficient disclosure for proper understanding. This is particularly evident in the disclosure of transactions. In this regard, listed issuers should avoid the mindset of “the lesser, the better”.

---

10 Paragraph/Rule 9.16(1) of the LR prescribes that the announcement must, among others –

(a) be factual, clear, unambiguous, accurate, succinct and contains sufficient information to enable informed investment decisions;
(b) not be false, misleading or deceptive and must not contain language which is in amatory, defamatory or scandalous; and
(c) be in language comprehensible to the layman.
2.5 To better illustrate our point in paragraph 2.4, we have provided examples below of certain common disclosure practices of listed issuers in relation to transactions where only the minimum information, if at all, is provided. The examples also set out our expectations on what should be disclosed instead.

ILLUSTRATION 2

(a) Disclosure in circulars of the consideration for the transaction

The LR prescribes that a listed issuer must disclose the total consideration, together with –

- the basis of arriving at the consideration. If it was based on net assets, the year the net asset was taken into consideration, quantifying the net assets and stating whether it was based on audited financial statements; and
- the justification for the consideration.

Common disclosures made by listed issuers:

Listed issuers commonly state that consideration for the transaction is on “willing-buyer and willing-seller” basis without providing detailed explanation on how the basis is arrived at.

We have recently amended the LR to require a listed issuer to disclose the basis of arriving at the consideration other than on a “willing-buyer willing-seller” basis. The basis of “willing-buyer willing-seller” does not provide meaningful information to investors as to how the consideration was arrived at. Hence, when making the relevant disclosure, the listed issuer should be guided as follows:

11 See Appendix 10B, Part A, paragraph 9 of the Main LR and Appendix 10B, Part A, paragraph 10 of the ACE LR.
Do’s 1: Where the transaction involves acquisition or disposal of companies, the disclosure of the consideration should include additional information of how the consideration is arrived at, other than “willing-buyer and willing seller” basis, such as –

- a comparison of the consideration for the target companies against the price earnings (“PE”) multiples and price to book ratio (“PB ratio”); and
- a commentary on whether the PE and PB ratio are comparable with transactions of a similar nature or companies that are involved in similar industries.

Do’s 2: Where the consideration for a transaction is derived using the discounted cash flow (“DCF”) method, the listed issuer should disclose the key bases and assumptions used in arriving at the valuation (including the terminal value, discount rate and the period used for the valuation).

(b) Disclosure in circulars of subject matter’s contribution in a disposal transaction

A listed issuer is required under the LR\textsuperscript{12} to disclose the subject matter’s (i.e. the asset to be disposed) contribution to the group’s net profit based on the latest audited financial statement.

Common practice of listed issuers:

In cases where the contribution is material, no disclosure is provided on the effect of such disposal on the group’s future earnings.

Do’s: If the subject matter’s contribution to the group’s net profit is material, the listed issuer should disclose the group’s strategy or business plan to address the loss of the contribution from the subject matter.

\textsuperscript{12} See Appendix 10B, Part A, paragraph 14(b) of the Main LR and Appendix 10B, Part A, paragraph 15(b) of the ACE LR.
Do's:

If the listed issuer is unable to provide the breakdown of the usage of the sale proceeds pending identification of an investment or asset to be acquired from those proceeds, the listed issuer should provide a statement to that effect and indicate the placement of the proceeds during the interim period.

The listed issuer should not generalise the disclosure on utilisation of proceeds by stating that the entire sale proceeds are to be used for "working capital purposes". The amount to be utilised for working capital purposes should commensurate with the listed issuer’s level of operations. The listed issuer should provide further elaboration on the breakdown of the utilisation such as -

- amount for working capital of the existing business
- amount for capital expenditure or future investments
- amount for distribution to shareholders

(c) Disclosure in circulars of intended application of sale proceeds in a disposal transaction

Where the sale consideration of a disposal is to be satisfied in cash, a listed issuer is required under the LR\(^{13}\) to disclose the intended application of the sale proceeds and the breakdown, including the timeframe for the full utilisation of proceeds.

Common disclosures made by listed issuers:

Listed issuers commonly state that the sale proceeds are to be utilised for working capital purposes. The breakdown is seldom disclosed.

\(^{13}\) See Appendix 10B, Part A, paragraph 14(c) of the Main LR and Appendix 10B, Part A, paragraph 15(c) of the ACE LR.
2.6 Likewise, we believe it would be helpful to list the basic information to be included in listed issuers’ announcements of the following specific events, as reference for listed issuers. These examples are aimed at providing guidance to listed issuers on embracing the disclosure principles which are premised on accuracy, clarity and completeness, to enable informed investments.

(a) **Procurement of material contracts**

- value of contract;
- tenure of contract;
- whether the contract is subject to renewal, and if yes, the details of such renewal;
- the financial impact of the contract on the group. Where the financial impact cannot be determined with certainty, an explanation of the reasons for non-disclosure of the impact together with sufficient information for investors to assess the financial impact themselves;
- risks in relation to the contract; and
- whether the directors, major shareholders and/or persons connected with them have any interest, direct or indirect, in the contract, and the nature and extent of their interests.
(b) **Construction of a new plant which has a significant impact on the group's future revenue/income**

- intended usage of the new plant;
- production capacity of the new plant against the current total capacity;
- expected commenceent and completion date of the construction of the new plant;
- the financial impact of the construction of the new plant on the group. Where the financial impact cannot be determined with certainty, an explanation of the reasons for non-disclosure of the impact together with sufficient information for investors to assess the financial impact themselves; and
- capital commitment required for the new plant;
- source of funding, and the breakdown of the source if more than one source is needed. If it is by way of borrowings, the effect on the group’s gearing ratio.

(c) **Involvement in litigation**

- date of the litigation/suit;
- the particulars of the claim under the litigation, including the amount claimed for, interest rate and other relief sought;
- details of events leading to the commencement of litigation;
- name of plaintiff and defendant;
- estimated potential liability to the group arising from the litigation;
- where the litigation is commenced against a subsidiary, a confirmation as to whether the subsidiary is a major subsidiary (i.e. a subsidiary which contributes 70% or more of the profit before tax or total assets employed of the listed issuer on a consolidated basis);
- the financial and operational impact to the group. Where such impact cannot be determined with certainty, an explanation of the reasons for non-disclosure of the impact together with sufficient information for investors to assess the impact themselves; and
- steps taken or proposed to be taken by the listed issuer in respect of the litigation.
Plain Language in Announcements/Circulars

2.7 Another key principle of disclosure in announcements or circulars is that information must be expressed in a clear manner and presented in a reader-friendly format, using plain and simple language for easy understanding.

2.8 However, announcements or circulars prepared by listed issuers are becoming longer and more complicated. This has given rise to difficulties on the part of the investors in understanding the disclosures made. Some of the common problems which we have seen in announcements or circulars issued by listed issuers are as follows:

- Long sentences
- Overly technical jargon

2.9 To ensure that its announcements or circulars are easy to understand, a listed issuer should consider the following steps:

(a) analyse and determine what information investors need in order to make informed decisions; and

(b) be succinct, and use words economically and at a level where the reader can easily understand i.e. simple short sentences.

GUIDANCE

Basic checklist in preparing simple and plain language announcements/circulars -

- Does the document highlight information that is important to investors?
- Is any important information missing?
- Does the document contain information that is not legally required and will not help investors make informed decisions?
- Will the investors understand the contents of the document?

When preparing simple and plain language announcements/circulars -

- use short sentences whenever possible
- use tables or bullet lists whenever possible
- use diagrams to depict structure of transaction or shareholding structure of the directors and major shareholders in the listed issuers whenever possible
- use descriptive headings and sub-headings
- avoid legal and highly technical business terms
- avoid relying on numerous defined terms
The example below illustrates the usage of plain and simple language in announcements/circulars.

**ILLUSTRATION 3**

*Before – long sentence*

The Company has entered into an Agreement for Sale & Purchase of Shares on 1 June 2011 with PQR Sdn Bhd (“PQR”) for the acquisition of 1,660,000 ordinary shares of RM1 each, representing 16.6% of issued and paid-up ordinary share capital of XYZ Sdn Bhd (“XYZ”), and 196,000 redeemable preference shares of RM1 each (“RPS”), representing 16.87% of issued and paid-up preference share capital of XYZ, for a total consideration of RM10,390,000.

*After – shorter sentences + table*

The Company has agreed to acquire the following from PQR Sdn Bhd (“PQR”) for a total purchase price of RM10,390,000:

<table>
<thead>
<tr>
<th>Ordinary Shares of RM1 each in XYZ Sdn Bhd (“XYZ”)</th>
<th>Redeemable Preference Shares of RM1 each in XYZ Sdn Bhd (“XYZ”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount % of issued &amp; paid up</td>
<td>Amount % of issued &amp; paid up</td>
</tr>
<tr>
<td>1,660,000 16.6</td>
<td>196,000 16.87</td>
</tr>
</tbody>
</table>

For this purpose, the Company and PQR have entered into a Sale and Purchase of Shares Agreement on 1 June 2011.
Summary of Circulars

2.11 Lengthy circulars can sometimes be complicated and confusing to an investor or shareholder. This may result in the investors or shareholders having difficulty in understanding the contents of the circular prepared by the listed issuer. Hence, to facilitate easy reference and better understanding, the listed issuer should, in addition to applying the principles of plain and simple language:

(a) provide a summary at the beginning of the circular, for a lengthy circular, to provide a snapshot of the salient matters covered in the circular; and

(b) ensure that the summary is clear and an accurate reflection of the circular.

“Lengthy circulars can sometimes be complicated and confusing to an investor or shareholder.”
What to Avoid in Announcements

2.12 As a general guide, a listed issuer should not use the following when making an announcement:

(a) language that evokes emotion – information disclosed must be factual, accurate and objective;

(b) vague or confusing language which does not allow an investor to accurately assess the information when making investment decision – eg: “double digit growth”; and

(c) superlatives or references to position or ranking – eg: “it is the market leader or ranked number 1 in the industry” unless supported by facts or a source of information widely acknowledged and regarded in its field. Where possible, announcements should contain sufficient quantitative information to allow investors to evaluate the relative importance of the information vis-a-vis the listed issuer.
CORPORATE DISCLOSURE POLICY
Maintaining Confidentiality of Information

General Principle

3.1 As highlighted in paragraph 1.16 of this CD Guide, the overriding principle for disclosure of material information is that information which is expected to be material must be announced immediately.

3.2 There are exceptional circumstances where a listed issuer is allowed to withhold or delay disclosure of material information temporarily, provided that complete confidentiality is maintained.

3.3 However, such exceptional circumstances are limited and confined to only the following:

(a) when disclosure would prejudice the ability of the listed issuer to pursue its corporate objectives – see Illustration 4 below for an example when a listed issuer cannot rely on this circumstance to delay disclosure of material information; or

(b) when the facts are in a state of flux; or

(c) where company or securities laws restrict such disclosures.

ILLUSTRATION 4

Facts:

POR Bhd, a listed issuer, has defaulted in its loan with Bank Z. This is a material default. POR Bhd is considering to withhold the announcement on the default as it is concerned that the announcement would prejudice its ability to negotiate with Bank Z or may result in other banks withdrawing their facilities from POR Bhd.

POR Bhd cannot rely on the exceptional circumstances such as the disclosure would prejudice its corporate objectives or cause adverse impact on its business, to avoid announcing the default under paragraph/Rule 9.03 and Practice Note 1/Guidance Note 5 of the LR. In the present circumstances, non-disclosure of the material default is prejudicial to the interest of investors and outweighs the perceived undesirable consequences as such information is critical for making informed investment decision. Hence, the material default must be announced immediately.

14 See paragraph/Rule 9.05 of the LR.
15 See paragraph/Rule 9.05(3) of the LR.
3.4 If material information is being withheld, the listed issuer must ensure that confidentiality is maintained at all times to minimise leakage of information. For this purpose, the listed issuer may consider implementing the following measures to maintain confidentiality of information:

BEST PRACTICES

(a) Document management

Putting in place better document management by:

• using codenames in correspondences and documents to protect identities of parties involved;
• ensuring physical copies of documents are securely stored in locked cabinets when not in use, with access restricted to authorised employees only; and
• reminding employees or personnel regularly not to read confidential documents or have discussion, in public places.

(b) Secured IT system

Ensuring a secure information technology system for communication and document management purposes. This can be done by:

• using private fax lines, dedicated printers and email accounts;
• ensuring confidential documents cannot be accessed through technology such as shared servers;
• keeping confidential information on protected drives and tightly controlling access through password protection and blocking mechanism; and
• installing password protection mechanisms for electronic equipment such as laptops and other storage media containing confidential information, and activating automatic locking system on these equipment after a stipulated period.

(c) Restricted dissemination of information

Limiting dissemination and access of information to those who “need to know” for greater accountability in the event of leakage. For this, the following may be implemented:

• locating employees and personnel involved in secure areas that are separate from other employees; and
• having in place systems and controls to quarantine information from others.

(d) Internal control policies

Putting in place the following internal control policies on confidentiality:

• formulating and implementing a code of ethics on confidentiality of information;
• maintaining a list of people (which includes senior management, lawyers, reporting accountant, auditor and investment adviser) involved in the transaction or who are in possession of price sensitive information ("privy list"), and setting out the identity of each person, the reason why the person is on the privy list, and the date on which the privy list was created and updated;
• updating the privy list promptly when any person who is not on the privy list is given access to price sensitive information, or indicating the date when a person in the list no longer has access to price sensitive information;
• requiring each person on the privy list to sign a confidentiality agreement;
• regularly reminding all parties involved of the need to keep information strictly confidential;

“Limiting dissemination and access of information to those who ‘need to know’ for greater accountability in the event of leakage.”
providing suitable training on the importance of not disclosing confidential information for employees, particularly those with access to confidential information;

putting in place policies that restrict dealings in securities by the listed issuer, its officers, employees, associates or any other persons connected directly or indirectly with the listed issuer (including advisers, auditors or lawyers) who may have access to price-sensitive information (“insider trading policies”);

having in place processes on how a suspected leak is to be investigated; and

implementing whistle-blowing policies that facilitate employees to report misconduct or wrongdoings.

Note:
The insider trading policies of a listed issuer should, among others, include the following:

i. expressly stating that persons who are in possession of unreleased material information must not use the information to –

• trade in the listed issuer’s securities or enter into any agreement to do so;
• procure another person to acquire or dispose the listed issuer’s securities or enter into any agreement to do so; or
• tip any other third party with such information so as to cause that third party to trade in the listed issuer’s securities or enter into any agreement to do so or to procure another person to acquire or dispose the listed issuer’s securities or enter into any agreement to do so;

ii. providing examples as to what sort of information is considered material - the listed issuer may refer to paragraphs/Rules 9.04 and 9.19 of the LR or this CD Guide for such examples; and

iii. setting out clearly the consequences of abusing unreleased material information - it must be highlighted that contravention of the prohibition can result in both criminal and civil liabilities

16 Upon conviction of insider trading, the law imposes a penalty of a minimum fine of RM1,000,000 and imprisonment for a term not exceeding 10 years: s. 188(4) of the Capital Markets and Services Act 2007 (“CMSA”). Further, section 201 of the CMSA empowers the Securities Commission and injured party to seek civil remedies against the contravener.
When Confidentiality Is Not Maintained – Dealing with Leakages

3.5 If confidentiality of information is lost or cannot be maintained, the listed issuer must immediately announce the information to Bursa Securities.17

3.6 Loss of confidentiality may be indicated by reference to information in analysts’ reports, media reports, market rumours, leaks or unusual trading activity/

price movement in the listed issuer’s securities. Thus, when any of these circumstances occurs, the listed issuer must make an immediate announcement of the relevant material information to Bursa Securities.

The guidance below sets out the basic steps that a listed issuer should take when it becomes aware of a leakage:

• undertake an enquiry to ascertain whether a leakage has occurred; and
• take the appropriate steps to make an immediate announcement to Bursa Securities if it is confirmed that the proposal is no longer confidential.

17 See paragraph/Rule 9.06 of the LR which provides that if 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, the listed issuer must immediately announce the information to Bursa Securities.
Clarification, Confirmation or Denial of Rumours or Reports

3.7 Whenever a listed issuer becomes aware of a rumour or report, the listed issuer should consult with its directors, major shareholders and such other persons familiar with the matter, to ascertain whether –

(a) the rumour or report contains undisclosed material information; and

(b) immediate disclosure is required to clarify, confirm or deny the rumour or report.

3.8 If immediate disclosure is required under the LR, a listed issuer is expected to be pro-active and on its own accord, make the appropriate announcement without waiting for a query from Bursa Securities.

A listed issuer, however, is not expected to respond to or clarify articles or reports if it considers the published information to be general in nature, unless such information has an impact on the price of its securities or affects investment decision. In other words, if the market reacts to the information even though such information is general in nature, the listed issuer must respond through making an appropriate announcement.

GUIDANCE

Below are some examples where information is deemed to be general in nature:

- “According to a reliable source, ABC Bhd has submitted its bid for the construction project worth RM100 million.”

- “XYZ Bhd is planning to expand its business and is considering a merger and acquisition exercise (“M&A”). XYZ Bhd is in talks with a few potential companies of similar size for the possible M&A”.

[Assumption: ABC Bhd and XYZ Bhd are listed issuers]

In the above examples, no announcement is expected unless the market reacts to the information.
3.10 Where the information in the articles or report is **reasonably specific** and has not been previously announced, the listed issuer should make an immediate announcement if it finds that such information is material in that –

(a) the information is perceived to have an impact on investors’ investment decisions; or

(b) there is sufficient evidence to show that the movement in the share price and volume of the listed issuer’s securities relates to the information.

“**All announcements made must contain sufficient facts to support the clarification, confirmation or denial.**”

3.11 If immediate disclosure is not required under the LR, the listed issuer should decide whether to make a voluntary announcement clarifying, confirming or denying the rumour or report. This decision should be made after consulting the board of directors (or persons authorised by the board such as the chief executive).

3.12 All announcements made must contain sufficient facts to support the clarification, confirmation or denial.
3.13 A listed issuer must not make evasive announcements that do not clarify, confirm or deny a rumour or report.

**ILLUSTRATION 5**

The following illustrates examples of evasive announcement which should be avoided, and announcements that confirm, clarify or deny a report or rumour.

**Media Report**

“ABC Berhad is currently riding on the back of market talk of its acquisition of an education-based company, ART Sdn Bhd, as part of its expansion plan in venturing into the education sector. ABC Berhad is reportedly in the midst of discussions with several property owners to build two campuses in Klang Valley. This augurs well with ABC Berhad’s plans as it has been awarded a contract by a large international conglomerate to conduct various programmes for more than 10,000 of its employees. At the same time, ABC Berhad may make a general offer for the shares of EDU Berhad, a leading player in the provision of twinning programmes in Klang Valley.”

**Actual Facts:**

The actual facts are as follows:

- ABC Berhad is acquiring ART Sdn Bhd.

- ABC Berhad is in the midst of discussion with property owners to build two campuses in Klang Valley.

- ABC Berhad has tendered for a contract with SPACE Ltd to conduct various technical and non-technical programmes for its employees. SPACE Ltd has subsequently shortlisted ABC Berhad to make a final tender for the contract.

- ABC Berhad is not making any general offer for the shares of EDU Berhad.
(a) **Don’ts:** Example of an **EVASIVE announcement** to a media report which should be **avoided**

“ABC Berhad wishes to advise Bursa Securities that as an investment holding company, it is the Company’s business to explore investment opportunities which are viable and meet our investment criteria. Accordingly, should investment propositions arise, the Company will consider such propositions if it meets our investment criteria.”

(b) **Do’s:** Example of an **announcement to CONFIRM, CLARIFY and DENY** a rumour or report containing material information

“ABC Berhad, having made due and diligent enquiry with the board of directors and major shareholders of the Company, wishes to make the following announcements:

ABC Berhad wishes to confirm the reported articles as quoted above as true on the acquisition of an education-based company namely ART Sdn Bhd.

The full details of the acquisition of ART Sdn Bhd will be immediately announced to the Exchange upon the terms being finalised.

Further, ABC Berhad wishes to confirm that it is engaging in preliminary discussions with some property owners to either acquire or lease their properties for two academic campuses in Klang Valley, one in Petaling Jaya and the other in Ampang, Kuala Lumpur. However, to date no formal agreement has been reached.

ABC Berhad will make the appropriate announcement to Bursa Securities in a timely manner in accordance with Bursa Securities Listing Requirements should there be any further development on this matter.

**Announcement to confirm report containing material information**
In addition to the above, ABC Berhad wishes to clarify that the Company has merely tendered its bid to SPACE Ltd to conduct various technical and non-technical programmes mandatory for all its employees.

As at the date of this announcement, the Company has not received any award from SPACE Ltd in relation to the project. However, the Company has been informed that it has been shortlisted to make a final tender to SPACE Ltd for the project.

ABC Berhad will make the appropriate announcement to Bursa Securities in a timely manner in accordance with Bursa Securities Listing Requirements, should there be any further development on this matter.

ABC Berhad also wishes to state that the statement on the general offer for the shares in EDU Berhad is not true as the Company has no plan to make such general offer. Further, the Company is not involved in any negotiation with any party which may trigger a general offer for the shares in EDU Berhad.”

Announcement to clarify report containing inaccurate material information

Announcement to deny a report containing erroneous material information
Unusual Market Activity ("UMA")

3.14 One of the indications of leakage of undisclosed material information is where there is unusual trading activity or price movement in a listed issuer's securities. In such instances, Bursa Securities will issue a written UMA query to the listed issuer concerned to ascertain the cause.

3.15 Where there is unusual trading activity or price movement, the listed issuer is expected to –

(a) undertake due enquiry with the relevant persons such as its directors, major shareholders and persons familiar with the affairs of the listed issuer, to determine the cause; and

(b) issue a clarifying announcement.

This should be undertaken irrespective of whether a written UMA query is issued by Bursa Securities.

3.16 The listed issuer should ensure that the enquiry or information gathering process is carried out efficiently and the announcement is made on an immediate basis.

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18 Such unusual trading activity or price movement (if it cannot be explained by any recent announcement or corporate activity) may signify trading by investors who are acting on unpublished information or market rumours. If left unchecked, this may mislead uninformed investors, who may presume that the sudden change in share price and trading volume in the listed issuer’s securities reflects a corresponding change in its business.
“The listed issuer should ensure that the enquiry or information gathering process is carried out efficiently and the announcement is made on an immediate basis.”

ILLUSTRATION 6

Facts:

XYZ Bhd’s major shareholder, Mr. A, intends to privatise XYZ Bhd. Mr. A is in final stages of arranging funding for the privatisation. Whilst this is taking place, the share price of XYZ Bhd increases significantly in a manner inconsistent with its historical trading pattern.

Under these circumstances, XYZ Bhd must ascertain the reason(s) for the increase in share price including undertaking due enquiry with its directors and relevant persons such as its major shareholders to find out the cause of the unusual trading activities. After the due enquiry, XYZ Bhd should immediately issue a clarifying announcement and explain that it has made due enquiries with its directors and major shareholders, and that the unusual trading activities may be attributed to the proposed privatisation undertaken by Mr. A. In its clarifying announcement, XYZ Bhd must disclose details of Mr. A’s proposal to privatise XYZ Bhd.

3.17 The listed issuer should avoid making a standard statement in its clarifying announcement or reply to the UMA query such as “we have nothing to disclose” or “we are not aware of anything that may give rise to the unusual market activity”, merely for convenience or expediency, without undertaking the necessary due diligence. For example, where the reason for the UMA arises as a result of a proposal that the listed issuer is working on, this must be disclosed.
Equal Access to Material Information

3.18 Communicating with parties outside a listed issuer requires careful management, particularly where disclosure of information is concerned. Bursa Securities recognises that relationships with journalists, analysts and fund managers are important as they contribute to a well-informed market. However, this must be balanced with the requirement not to place such parties in a privileged position.

Prohibition of Selective Disclosure to Journalists, Analysts & Fund Managers

3.19 In dealing with journalists, analysts and fund managers, it is important to keep in mind the principle that a listed issuer may provide any information relating to its business, operations or financial performance, provided that such information is not undisclosed material information.

3.20 Thus, when responding to questions from journalists, analysts and fund managers, or when commenting on their reports, the listed issuer can provide any information, as long as it does not include any undisclosed material information.

3.21 A listed issuer must immediately announce to Bursa Securities any non-public material information which has been inadvertently disclosed when responding to questions or when commenting on draft reports from journalists, analysts or fund managers.

3.22 A listed issuer should ensure that the journalists, analysts and fund managers do not obtain non-public material information when they visit or engage with the listed issuer.

3.23 The following sets out the recommended practices when responding to questions or commenting on reports/financial analysis.

GUIDANCE
Responding to questions

- Avoid disclosing non-public material information.
- If a question touches on non-public material information, state that the listed issuer is unable to respond or comment at the time and that an appropriate announcement will first be made to Bursa Securities before it responds.

Commenting on draft reports/financial analysis

- Comment on or correct errors in factual information which may mislead the market.
- Avoid providing forecast or projection of revenue, earnings or other profit indicators.
- Need not comment on opinions made by authors of the reports/financial analysis such as prediction of future revenue, earnings or other quantitative data.
- Avoid amending draft reports/financial analysis if doing so involves providing non-public material information. If fundamental erroneous or misleading information is detected, inform the author that the draft report/financial analysis is erroneous or misleading and should not be released in its present form.

19 See paragraph/Rule 9.10(3) of the LR.
3.24 The table below sets out some useful ground rules for a listed issuer in determining what information “may be disclosed to external parties” or “may not be disclosed unless first announced to Bursa Securities or simultaneously to Bursa Securities and the external parties”, during a media or analysts briefing.

**GUIDANCE**

**May Disclose to External Parties**

**Principle:** Generally, disclosure of the listed issuer’s affairs to any person is deemed not material when such disclosure will not affect the person’s investment decision and will not give any advantage to the person making his investment decision. Hence, such information may be disclosed to external parties during a media or analysts briefing.

**May Not Disclose Unless First Announced to Bursa Securities Or Simultaneously to Bursa Securities and the External Parties**

**Principle:** Generally any information concerning the listed issuer’s affairs may not be disclosed if the information gives that person an advantage on his investment decision, particularly where as a result of his investment decision based on the information received, the person is able to make a profit or reduce his potential loss.

**Examples** of such information that should not be disclosed include –

- specific plans to acquire a business, or mergers and acquisitions
- specific corporate exercises to be undertaken including bonus issues, rights issues, share splits or consolidation, bonus warrants
- any information relating to earnings forecast/projections or profit guidance
- any information relating to possible capital management including capital repayment, special dividends or specific annual dividends
- award of material contracts/projects
- major shareholders’ intention to privatise or sell-out

“A listed issuer should ensure that the journalists, analysts and fund managers do not obtain non-public material information when they visit or engage with the listed issuer.”
Proper Conduct of External Meetings

3.25 When conducting meetings with journalists, analysts, fund managers, institutional investors or other persons outside the listed issuer ("External Meetings"), a listed issuer should consider the following:

(a) keeping to a minimum the number of persons authorised to speak on its behalf at the External Meetings;

(b) ensuring that the authorised spokespersons do not disclose non-public material information. In this respect, prior to the External Meeting the designated person should brief the authorised spokespersons on their role and what they may disclose at the External Meeting;

(c) keeping accurate records of the External Meetings and reviewing the records to ensure the External Meetings do not contain undisclosed material information;

(d) opening up briefings held by the listed issuer for groups of analysts or fund managers, to key stakeholders such as the media;

(e) concurrently with the commencement of or immediately after the External Meeting, posting any prepared information or materials for the External Meetings (such as slides, speeches, questions and answers) on its website; and

(f) immediately announcing to Bursa Securities any non-public material information which has been inadvertently disclosed during the External Meetings and considering whether to request for suspension to enable release of information.

Leveraging on Information Technology for Broader Public Dissemination

3.26 A listed issuer should take advantage of advances made in information technology ("IT") to broaden its channel for dissemination of information. This is key in ensuring equal and fair access to information by all holders of securities.

3.27 In this regard, a listed issuer should ensure, among other things, that -

(a) there are in place policies and procedures authorising the usage of IT to disseminate material information, and such policies and procedures should also describe how the listed issuer’s electronic communication is to be structured, supervised and maintained;

(b) appropriate security measures are in place to maintain integrity of information disseminated using IT; and

(c) the designated person should be responsible for ensuring due compliance with the policies and procedures on electronic communication.
Website Guidance

3.28 As a minimum, listed issuers should use their websites to disseminate information and enhance their investor relations.

3.29 For this purpose, a listed issuer should ensure that the contents on its website are useful to its shareholders. In this regard, the listed issuer may be guided by the recommendations set out below.

BEST PRACTICES
Contents on websites

Currently the LR requires a listed issuer’s website to contain the following:

- email address, name(s) of designated person(s)\(^{20}\) and their contact numbers to enable the public to forward queries;
- announcements made to Bursa Securities including periodic financial statements and annual reports; and
- information which may be relevant to the listed issuer’s shareholders including analyst briefings.

In addition to the above, the listed issuer should also upload the following onto its website:

- circulars;
- notices and agenda of annual general meetings;
- minutes of general meetings (which should include substantial and pertinent comments or queries from shareholders relating to the agenda of the meeting, and responses from the board and management);
- financial calendar/scheduled dates for quarterly reports and annual general meetings;
- webcasts on financial performance briefings, External Meetings and general meetings;
- materials for the External Meetings (such as slides, speeches, questions and answers);
- financial highlights for the past 5 years;

\(^{20}\) See paragraph 3.37 of this CD Guide below. The term “designated person” refers to a senior officer who takes overall responsibility for ensuring compliance with the disclosure obligations under the LR.
• dividend policy;
• corporate structure;
• information on the board and senior management;
• details of foreign shareholdings based on latest available information;
• stock trends/historical share price performance;
• terms of references of the audit committee, nomination committee and remuneration committee; and
• any other company news for the general information of investors, the media or the public.

Housekeeping of websites

For proper housekeeping of its website and to avoid any inaccuracies in the information posted, the listed issuer should –

• date all information posted;
• regularly update the information posted; and
• archive historical information.

“Although the disclosure obligations in the LR rest with a listed issuer, it is the listed issuer’s board of directors, collectively and individually, who is ultimately responsible to ensure that the listed issuer is in a position to comply with them.”

3.30 The designated person must ensure that prior to the posting of any material information or announcements on the listed issuer’s website, public disclosure of the material information is first made to Bursa Securities in accordance with the LR.
Responsibility for Compliance and Internal Disclosure Controls

3.31 Although the disclosure obligations in the LR rest with a listed issuer, it is the listed issuer’s board of directors, collectively and individually, who is ultimately responsible to ensure that the listed issuer is in a position to comply with them.

3.32 Therefore, it is important for the listed issuer to have in place written corporate disclosure policies and procedures (“CDPP”). In this regard, the listed issuer may refer to the following guidance when establishing its CDPP.

Establishment of CDPP

3.33 A listed issuer should establish CDPP that provides a good framework for compliance with the disclosure policies under the LR. Generally, the CDPP should contain the following:

BEST PRACTICES

General content of a CDPP

• clear roles and responsibilities of directors, management, employees and all other relevant persons in the handling and disclosure of material information in a timely and accurate manner;

• clear level of authority accorded to a designated person20, spokespersons and committees in the handling and disclosure of material information;

• due diligence is exercised by the persons responsible for preparing the disclosure of material information;

• proper verification process that enables material information to be verified before disclosing it to the public; and

• mechanism for overseeing and co-ordinating the efficient disclosure of material information to the investing public – this should include the recommendations and best practices set out in this CD Guide.

20 See paragraph 3.37 of this CD Guide below. The term “designated person” refers to a senior officer who takes overall responsibility for ensuring compliance with the disclosure obligations under the LR.
3.34 The CDPP should also be –
(a) practical to implement with constant feedback being sought from management as to what best suits a listed issuer; and
(b) regularly reviewed to ensure that it remains current and effective.

3.35 Having established the CDPP, the listed issuer should then ensure that its board, management and employees are aware of the CDPP, any changes to the CDPP and the consequences for non-compliance.

3.36 The board of directors is ultimately responsible for ensuring that a CDPP is formulated and implemented effectively.

Appointment of Designated Person

3.37 While the board of directors is generally responsible for the proper dissemination of information, the actual implementation may be delegated to a specific person. For this purpose, a listed issuer should appoint:
(a) a senior officer to take overall responsibility for ensuring compliance with the disclosure obligations under the LR ("designated person"); and
(b) an alternate who can take over the responsibilities of the designated person in his absence.

"While the board of directors is generally responsible for the proper dissemination of information, the actual implementation may be delegated to a specific person."

GUIDANCE

Minimum criteria for the appointment of a designated person / alternate
- senior management level;
- familiarity with the listed issuer’s operations; and
- having sufficient understanding of the LR and securities laws.
Responsibilities of a Designated Person

3.38 A designated person is generally responsible for overseeing and co-ordinating disclosure of material information in accordance with the LR.

3.39 However, the level of autonomy granted to the designated person may differ from one company to another. The listed issuer should determine and set out in the CDPP the level of autonomy its designated person should have in making decisions about disclosure.

GUIDANCE

Key responsibilities of a designated person

A designated person –

- after consulting the relevant persons within the listed issuer, reports and makes recommendations to the board (or committee) for the purpose of drawing up a CDPP;
- creates awareness amongst directors, management and employees on the CDPP;
- reviews information to be disclosed to ensure compliance with the LR and applicable securities laws (if any), and ensures that the relevant persons such as the board, chief executive or chief financial officer verify such information;
- ensures that the relevant approval/authorisation from the board or management as set out in the CDPP is obtained;
- ensures that information is disclosed in a timely manner;
- oversees and maintains accurate records of all public disclosure of material information\(^ {21} \); and
- keeps updated with any pending material development concerning the listed issuer.

\(^ {21} \) Records of public disclosure of material information may include a record of all relevant news releases and debriefing notes.
OTHER DISCLOSURE GUIDANCE
In this Chapter, Bursa Securities sets out guidance on what a listed issuer should do to comply with its disclosure obligations, in relation to certain specific events or circumstances as stated below.

Profit Guidance

4.1 Where the developments in a listed issuer indicate any material improvement or deterioration in the listed issuer’s financial results, the listed issuer should promptly assess the impact of such information and immediately provide a profit guidance statement on the likely impact. A profit guidance statement essentially gives shareholders early notification of the positive or negative impact of material developments on the listed issuer’s financial results.

4.2 The listed issuer should not defer the release of the profit guidance statement until the announcement of its periodic reports. It is also vital that the profit guidance statement is first made to Bursa Securities or simultaneously to Bursa Securities and the media.

Illustration 7 below sets out some examples where a listed issuer should provide a profit guidance statement.

ILLUSTRATION 7

(a) ABC Bhd, on reviewing its management results for the 2nd quarter, becomes aware that it will incur a significant cost overrun for the period. However, earnings from its other contracts completed in the second half-year may compensate for the cost overrun. Thus, ABC Bhd still expects its full financial year results to be in line with the previous financial year.

Given that the significant cost overrun has not been announced previously, ABC Bhd should make an announcement to warn its shareholders as it may have a material impact on its 2nd quarter financial results which may, as a result, differ materially from the previous corresponding period. In its announcement, ABC Bhd should include disclosure of the projects which have incurred the cost overrun. ABC Bhd should also highlight that the full financial year results may not be materially impacted and may still be in line with the previous financial year, as earnings from its other contracts may off-set the cost overrun.

22 "material improvement or deterioration in the listed issuer’s financial results" refers to a situation where the financial results of a listed issuer may be significantly above or below the general market expectation, historical trend or profit estimate/forecast or projection previously announced.
“The listed issuer should not defer the release of the profit guidance statement until the announcement of its periodic reports.”

(b) During the 2nd half of its financial year, and due to unforeseen circumstances, ABC Bhd becomes aware that completion of a material contract will be significantly delayed. The revenues expected from this contract will now be accounted for in the next financial year. As a result, ABC Bhd expects its full year results to vary significantly from the previous year.

ABC Bhd should issue a profit guidance statement to warn the shareholders and potential investors as the information may have a significant impact on the share price, value and market activity of ABC Bhd’s securities or the investment decisions of its shareholders or investors.

(c) During the period between the financial year end but prior to the due date for submission of the 4th quarterly results, ABC Bhd notes that its operating results are generally in line with the previous corresponding period. However, the year-end adjustments and write downs will result in a significant reduction in ABC Bhd’s financial results.

Similar to (b) above, a profit guidance statement should be issued as the information is material. ABC Bhd must not delay in announcing this information until the time of submission of its quarterly results.
4.3 In making the profit guidance statement, the listed issuer must comply with paragraph/Rule 9.16 of the LR and ensure that the information contained in the statement is factual, clear, unambiguous, accurate, succinct, balanced, fair and contains sufficient information to enable investors to make informed investment decision.

GUIDANCE

Example of a profit guidance statement

“This announcement is made by ABC Bhd pursuant to paragraph/Rule 9.03 of the LR.

The board of directors of the Company wishes to inform the shareholders and potential investors that having assessed the currently available information, the group is likely to record a decline in profit of approximately 18% for the financial year ending 31 December 2010 compared with the previous year due to the following reasons:

(i) lower sales value due to strengthening of the Ringgit against the US Dollar;
(ii) loss of one major customer; and
(iii) rising cost of raw materials such as aluminium which could not be passed on to the customers.

Please note that the information in this announcement is only based on the preliminary assessment by the board on the currently available information.”
Fraud/Financial Irregularity

4.4 Where a listed issuer discovers a fraud or financial irregularity taking place in the listed issuer, it should:

(a) immediately assess the materiality of the fraud/financial irregularity and make an immediate announcement, if the fraud/financial irregularity is material; and

(b) where an announcement is made, ensure that the announcement contains sufficient information, including:

• the financial and operational impact of the fraud/financial irregularity on the listed issuer; and

• the measures or steps taken to address the fraud/financial irregularity.

4.5 If the listed issuer appoints an auditor to investigate into the matter and the investigative audit reveals material findings, the listed issuer must immediately announce the material findings.
Announcement by External Parties/Authorities

4.6 A listed issuer should immediately announce to Bursa Securities any announcement by a government ministry or agency regarding a government policy which is material to the listed issuer. Such instances may include an announcement on a variation in the power tariff, imposition of windfall tax, revision in the independent power purchase agreements or toll concessionaire agreements, or approval or deferment of any increase in new charges or rates.

4.7 The immediate announcement should include the business and financial impact on the listed issuer, as a result of such announcements by the government ministries or agencies.

4.8 If the financial impact cannot be ascertained at the time of announcement, the listed issuer should still immediately announce the government’s policy vis-à-vis its relevance to the company and make a subsequent announcement with an update when the information is available.

ILLUSTRATION 8

The following sets out the recommended steps to be taken by a listed issuer based on the illustration of a government announcement.

Facts

The Government announces on 15 January 2011 that the gas price for the power sector will be revised. The revision in the gas price is expected to affect the tariff charged by utility companies. ABC Bhd is a listed issuer in the utility industry.

In light of the Government's decision to revise the gas price for the power sector, ABC Bhd should review and assess the business and financial impact of the Government decision. ABC Bhd must then immediately announce -

- the details of the Government decision;
- the business and financial impact of the Government decision on ABC Bhd; and
- whether ABC Bhd intends to revise its power tariff.

If ABC Bhd needs more time to clarify the details and impact arising from the Government decision, ABC Bhd should still announce the Government decision immediately and inform that a subsequent announcement will be made in relation to the impact of the Government decision to ABC Bhd, as soon as the information is available.
4.9 A listed issuer with cross listings overseas should synchronise the release of its material information on all the stock exchanges where it is listed.

4.10 The listed issuer should ensure that material information is simultaneously announced to Bursa Securities, and the other stock exchanges. This should be done regardless of whether Bursa Securities is open for trading.

4.11 If material information is released when Bursa Securities is closed for trading, Bursa Securities may impose a trading halt on the listed issuer’s securities on the next market day to ensure thorough dissemination of such information.

“A listed issuer with cross listings overseas should synchronise the release of its material information on all the stock exchanges where it is listed.”
4.12 A listed issuer may procure a general mandate from its shareholders at a general meeting to issue shares in accordance with section 132D of the Companies Act 1965 and the requirements under the LR.

4.13 The general mandate is typically obtained to address the issue of time to market and cost which may need to be incurred to convene a specific general meeting to approve the issuance of new shares.

4.14 Whilst a listed issuer will benefit from the general mandate, the board of directors must also be mindful of the interests of the listed issuer’s shareholders as such issuance will inevitably result in dilution of their shareholdings.

4.15 As such, shareholders must be provided with adequate information relating to the purpose and utilisation of the general mandate so that they can make an informed decision on whether to approve the resolution for the general mandate.

4.16 A listed issuer is expected to provide clear explanation on the purpose for which the general mandate is sought.

4.17 For instance, the board must, having taken into consideration the listed issuer’s strategic business objectives, indicate whether the funds to be raised from the issuance of new shares will be utilised to finance any proposed acquisition, or capital expenditure of its existing business operations, or whether the funds are for working capital purposes.
QUALITY OF FINANCIAL DISCLOSURES
Timely and reliable financial statements improve the ability of the market participants and investors to understand the business of a listed issuer, its capacity to generate revenue and cash flows, and its financial position. Hence, to meet the needs of investors and market participants, the listed issuer’s financial statements must contain sufficient and accurate information to aid investors in their decision making process.

Board’s Obligations

Internal Procedures in Place

5.1 In this regard, effective oversight of a listed issuer’s financial reporting is important in ensuring the veracity and timeliness of the financial information. The listed issuer must establish and maintain internal policies, procedures and systems to enable the preparation of true and fair financial statements in a timely manner.

5.2 In this regard, the listed issuer’s board of directors plays a vital role. The board must ensure that there are adequate processes and systems in place, as well as competent resources to ensure that the financial statements are prepared in a timely manner and represent a true and fair view of the state of affairs of the listed issuer.

Board’s Competency

5.3 In addition to the above, it is also essential that members of the board are financially literate and continue to keep abreast of latest developments in financial reporting requirements and regulatory changes.

Key pointers for directors:

- Directors should understand and evaluate the complexities of new financial reporting requirements in the context of the listed issuer’s business and transactions.
- Directors must educate themselves appropriately through ongoing training on recent developments in financial reporting requirements.
- Directors should be pro-active in asking questions or probing management on accounting or financial reporting issues, when approving financial statements.
- In case of doubt or a need to clarify pertinent issues affecting financial reporting, it is vital for directors to consult the external auditors for the required insights and to take a considered position on the matter.
Timeliness of Periodic Disclosures

5.4 The board of a listed issuer must also ensure that the listed issuer’s financial statements are disclosed in a timely manner. In this respect, the prescribed timeframes as set out in the LR must be adhered to. Quarterly reports, for instance, must be announced within 2 months after the end of each quarter and annual audited financial statements must be announced within 4 months from the close of the financial year. Annual reports are also required to be issued within 6 months from the close of the financial year.

GUIDANCE

General

Whilst the LR requires announcement of the quarterly report within 2 months after the end of each quarter, a listed issuer must announce its quarterly report immediately after it has procured its board’s approval for the report.

Announcement of Calendar for Financial Statements and Dividend

A listed issuer is encouraged to make the following announcements to Bursa Securities before any board meeting to consider and approve such matters:

(a) the dates scheduled to release its financial statements; or

(b) the dates scheduled to make recommendation for declaration of dividend.

Standard of Disclosure

5.5 Similar to the standards imposed on the other types of continuing disclosures, a listed issuer must ensure that the financial information disclosed is factual, clear, unambiguous, accurate, succinct, balanced, fair and complete so that investors can make informed investment decisions.

5.6 In this regard, we have provided further guidance on the contents of the annual reports and quarterly reports for the specific matters set out below.
5.7 Financial statements can sometimes be complicated and confusing particularly to an ordinary investor or shareholder who has minimal accounting knowledge. This may result in the investors or shareholders having difficulty in understanding the financial statements prepared by a listed issuer.

5.8 Hence, to facilitate easy reference and better understanding by investors of the listed issuers’ financial statements, Bursa Securities strongly encourages listed issuers to disclose in their annual reports, the financial highlights of the major items set out in the statement of comprehensive income and statement of financial position together with the financial indicators for the last 5 years or since listing (if it has been listed less than 5 years).

5.9 With this, investors will be presented with a simplified trend analysis of the listed issuer’s financial statements.

5.10 The listed issuer may include the following information/details when disclosing the financial highlights and financial indicators:

**GUIDANCE**

Information or details to be included in the financial highlights and financial indicators

The financial highlights in the statement of comprehensive income may include:

- revenue
- EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)
- profit before tax
- profit after tax
- net profit attributable to equity holders

The financial highlights in the statement of financial position may include:

- total assets
- total borrowings
- shareholders’ equity

The financial indicators may include:

- return on equity
- return on total assets
- gearing ratio (net debts/shareholders’ equity)
- interest cover
- earnings per share
- net asset per share
- gross dividend per share
- price earning (PE) ratio
- gross dividend yield
- share price as at the financial year end
Detailed Analysis of the Group’s Operating Segments

5.11 Under paragraph 1 in Appendix 9B of the LR, a listed issuer must disclose in its notes to the quarterly report, a detailed analysis of the performance of all operating segments of the listed issuer’s group.

5.12 In making this disclosure, Bursa Securities expects the listed issuer to comment on the performance of each of its business activity (as segmented in the annual report) and the factors that resulted in the revenue or profits improving or declining as compared to the corresponding period. In this regard, the listed issuer’s board of directors should discuss, among others, the following factors:

- (a) the market condition and demand for its goods and services;
- (b) the level of its operating activities;
- (c) the factors or circumstances affecting the changes to the revenue, costs and profit margin of each business activity or segment;
- (d) any unusual or one-off gains/losses affecting the revenue or profit; or
- (e) any other information which can provide a better understanding of the listed issuer’s performance.

5.13 A general statement that the revenue and profit for the period has increased or decreased by a certain percentage without any elaboration of the above factors is not acceptable.

“"A general statement that the revenue and profit for the period has increased or decreased by a certain percentage without any elaboration of the above factors is not acceptable.""
Details of Major Components in the Statement of Cash Flows

5.14 The LR currently requires a listed issuer to include details of major components in respect of its operating, investing and financing activities, in its statement of cash flows. In making this disclosure, the listed issuer may refer to the information below for guidance.

GUIDANCE

Breakdown of the details of major components in respect of a listed issuer’s operating, investing & financing activities

The details in respect of the operating activities may include –

• receipts from customers
• payments to suppliers, contractors and employees
• interest paid
• payment of income taxes

Total Cash Flow from/(used in) operating activities

The details in respect of the investing activities may include –

• purchase of property, plant and equipment
• disposal of property, plant and equipment
• payment of intangible assets
• acquisition of investments
• disposal of investments
• advances to associates/jointly controlled entities
• repayment of advances from associates/jointly controlled entities
• interest received

Total Cash Flow from/(used in) investing activities

The details in respect of the financing activities may include –

• dividend paid to equity holders
• proceeds from borrowings
• repayment of borrowings
• proceeds from rights issue

Total Cash Flow from/(used in) financing activities

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26 See paragraph 17 in Appendix 9B of the LR.
PRESENTATION AND CONTENT OF THE MANAGEMENT DISCUSSION AND ANALYSIS
To give investors and shareholders a better understanding of a listed issuer, Bursa Securities strongly encourages a listed issuer to prepare and include a separate statement in its annual report containing the listed issuer's management discussion and analysis ("MD&A") of its business operations and financial performance during the financial year.

For this purpose, Bursa Securities has provided a general guidance on the content of the MD&A in this Chapter 6 to assist a listed issuer in the preparation of its MD&A.

### General

#### Basic Standards

6.1 The objective of the MD&A is to provide shareholders of a listed issuer with an understanding of the business, operations and financial position of the listed issuer.

6.2 For this purpose, the presentation of the MD&A should take into account the following factors:

(a) compliance with the requirements in paragraph/Rule 2.18 of the LR;

(b) being neutral, balanced and fair, and the need to provide both positive and negative factors affecting the business;

(c) being comparable over time; and

(d) the need to provide the trends, factors and analysis of performance indicators, both financial and non-financial.

#### Focus Areas

6.3 The MD&A should aim to provide shareholders with a holistic discussion and analysis of the performance, opportunities and risks underlying the results and financial condition of a listed issuer's group.

6.4 To this end, the MD&A should focus on the following areas:

(a) overview of the group’s business and operations, its objectives and strategies;

(b) discussion of operational capabilities to achieve the desired business objectives and results;

(c) review and discussion of financial results, financial position and financial condition conveyed in the financial statements;

(d) discussion of anticipated or known risks that may have a material effect on, among others, the sustainability of the group’s results or operations, financial condition or liquidity; and

(e) discussion of expectations of future results.

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27 Paragraph/Rule 2.18 of the LR requires, among others, that any application, proposal, statement, information or document presented, submitted or disclosed pursuant to the LR (i) is clear, unambiguous and accurate; (ii) does not contain any material omission; and (iii) is not false or misleading.

28 The term “listed issuer’s group” or “group” for purposes of Chapter 6 in this CD Guide refers to the listed issuer and its subsidiaries.
Overview of Business and Operations, Objectives and Strategies

Business and Operations

6.5 The discussion under this section should be comprehensive to the extent that management deems appropriate for an understanding of the group’s entire business operations.

GUIDANCE
Information to be included in the discussion of the group’s business operations:

(a) the nature of the group’s business and operations as a whole (on a consolidated basis);

(b) information concerning recent material acquisition, merger or consolidation of the group;

(c) the group’s organisation and corporate structure;

(d) the industries, markets and locations in which the group operates;

(e) the group’s main products and services, business processes and distribution methods;

(f) the group’s main operating facilities and capacities; and

(g) any significant changes to –
   • the mode of conducting the group’s business; and
   • the legal, social, political and regulatory environments that influence the group

Objectives and Strategies

6.6 The discussion for this section should cover the information set out below.

GUIDANCE
Information to be included in the discussion of the group’s objectives and strategies:

• long term business objectives, goals or targets and shorter term priorities; and

• management strategies to achieve the business plan and objectives.
Review of Financial Results

6.7 The MD&A should disclose and discuss financial and non-financial indicators used to measure the group’s performance. This includes a commentary on whether the actual results or accomplishments have met the pre-determined key financial performance indicators (“KPIs”) or targets.

6.8 Examples where financial results may be discussed include a review of revenue and profit or loss by categories such as –

- principal business segments;
- products/services; and
- geographical areas.

“The MD&A should disclose and discuss financial and non-financial indicators used to measure the group’s performance.”
The MD&A should identify and discuss the main factors that may affect the operating activities of each principal business segment of the group.

GUIDANCE
Some examples of matters which may significantly affect the operating activities of the group

(a) changes in economic and market conditions which affect the group’s operating activities;

(b) new products and services introduced, providing details and their development schedule;

(c) challenges affecting the group’s operations i.e. competition pressure, technological changes, pricing policies, etc.;

(d) discontinued operations, and acquisitions and disposals of assets or businesses;

(e) group’s operational and financial risks such as business risk, interest rate risk, funding risk, economic risk and political risk, and the plans or strategies to mitigate these risks;

(f) significant features of regulatory, environmental, social and governance issues that could affect the performance of the group;

(g) other significant effects on operations, such as significant litigation, assets impairment or tax disputes;

(h) capital expenditure requirements, capital structure and capital management policies of the group;

(i) the group’s treasury policy; and

(j) the group’s funding and liquidity resources (including the funding requirements for operations and capital expenditure).

“The MD&A should identify and discuss the main factors that may affect the operating activities of each principal business segment of the group.”
Forward-Looking Statements

6.11 The forward-looking statements in the MD&A should provide the following analysis for better understanding of the listed issuer’s business dynamics:

- analysis of the group’s future performance as a whole; and
- analysis for each of its principal business segments.

6.12 The analysis entails discussion of the group’s possible trend and outlook (such as whether there is increasing or declining demand for the products or services in the group’s current business segments), investment plans and prospects of new businesses or investments.

6.13 The discussion of the group’s future performance in the forward-looking statement should be presented in narrative form.

GUIDANCE

Key areas to be covered under the forward-looking statement

The forward-looking statements should include the following:

(a) discussion on the factors that would affect the future financial performance, operating activities, liquidity and capital management of the group; and

(b) management’s explanation on factors that affect the group’s performance (including factors that caused the shortfall or led to achievements which exceeded expectations) as disclosed in the preceding year’s forward-looking statements.
KEY TAKE-AWAYS

CHAPTER 1: IMMEDIATE DISCLOSURE OF MATERIAL INFORMATION

Principle: A listed issuer must immediately announce material information

How to assess whether a particular information is material and warrants an immediate announcement?

✓ **DO’s**

1. Undertake materiality assessment for matters or events which have no predetermined materiality threshold. Generally, an information is considered material if it is reasonably expected to have a material effect on the –
   - price, value or market activity of the listed securities; or
   - investor’s decision in determining his choice of action.

2. Some relevant factors to consider when undertaking materiality assessment:
   - anticipated impact of the information on the listed issuer’s entire scope of activities;
   - anticipated impact of the information on the listed issuer’s financial position or performance; or
   - relevance of the information on the factors that determine the price of the listed securities.

3. Factors to consider for some commonly occurring events:

<table>
<thead>
<tr>
<th>Event</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award of contract</td>
<td>Announce contract awarded if the contract is expected to have a material impact on the listed issuer’s financial performance or operations. In determining materiality, assess the contribution of the particular contract to the listed issuer’s annual revenue and profits.</td>
</tr>
<tr>
<td>Borrowing of funds</td>
<td>Announce borrowing of funds if material. Some factors to consider:</td>
</tr>
<tr>
<td></td>
<td>- increase in the level of borrowings i.e. increase in its gearing ratio;</td>
</tr>
<tr>
<td></td>
<td>- industry in which it operates; and</td>
</tr>
<tr>
<td></td>
<td>- its financial condition</td>
</tr>
<tr>
<td>Commencement of / involvement in litigation</td>
<td>Announce if the estimated potential liability of the litigation to the group is material. Some factors to consider:</td>
</tr>
<tr>
<td></td>
<td>- value involved</td>
</tr>
<tr>
<td></td>
<td>- impact of the reliefs or orders sought</td>
</tr>
<tr>
<td></td>
<td>- whether litigation is indicative of lack of financial resources to meet the listed issuer’s obligations or lack of operations</td>
</tr>
</tbody>
</table>

✗ **DON’Ts**

1. Avoid putting the listed issuer in a position where it is bound by confidentiality obligations that may defeat its obligation to disclose material information on an immediate basis.
When to make announcements?

✅ DO's

1. Announce material information immediately. Avoid delaying or deferring announcement.

2. General guide on when to announce certain material events:

<table>
<thead>
<tr>
<th>Events</th>
<th>Timing of Announcement</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Borrowing of funds</td>
<td>Upon acceptance of the terms including execution of the letter of offer. In the absence of the letter of offer, upon the execution of the loan documents</td>
</tr>
<tr>
<td>(b) Commencement of or involvement in litigation</td>
<td>Upon filing or receipt of court papers (i.e. writ of summons and statement of claims)</td>
</tr>
<tr>
<td>(c) Proposals involving issuance of new securities such as rights issue</td>
<td>Upon board approval</td>
</tr>
<tr>
<td>(d) Default in payment</td>
<td>Upon occurrence of a default (even if negotiations with the lender are still pending), irrespective of whether a demand has been made by the lender.</td>
</tr>
<tr>
<td>(e) Acquisition or disposal of assets</td>
<td>Upon the terms of the acquisition or disposal being agreed on. Typically this is upon signing of the letter of offer. If there is no letter of offer, it would be upon the execution of the sale and purchase agreement.</td>
</tr>
<tr>
<td>(f) Rejection of a proposal by shareholders at a shareholders’ meeting</td>
<td>Immediately, even though during trading hours, and not at the end of the day</td>
</tr>
<tr>
<td>(g) Decision by authorities on corporate proposals</td>
<td>Upon receipt of the decision</td>
</tr>
</tbody>
</table>

KEY TAKEAWAYS
CHAPTER 2: CONTENTS OF ANNOUNCEMENT OR CIRCULARS

Principle: A listed issuer should not interpret disclosure requirements in a mechanical or restrictive manner. Emphasis must be given to substance over form

**How to comply in substance rather than in form when making disclosures?**

**✓ DO’s**

1. The test: Put the listed issuer in the shoes of the investing public and determine whether the information disclosed is adequate for the investors to assess and understand -
   - the transactions or events taking place; and
   - the implications of the transactions or events on the listed issuer’s operations, strategy and financial condition.

**✓ DO’s**

1. Present disclosures in a clear and balanced way where both the positive and negative information are provided.
2. Use plain and simple language in announcements/circulars.
3. Provide a summary of lengthy circulars.

**✗ DON’Ts**

1. When making disclosures, avoid the mindset of “the lesser, the better”. Purpose of disclosure is not merely a “box-ticking” exercise or regulatory compliance.

**✗ DON’Ts**

1. Avoid the following when making an announcement:
   - language that evokes emotion
   - vague or confusing language
   - superlatives or references to position or ranking unless supported by facts
CHAPTER 3: CORPORATE DISCLOSURE POLICY

Maintaining Confidentiality of Information

Principle: A listed issuer may withhold material information temporarily if there are exceptional circumstances provided that confidentiality is maintained at all times to minimise leakages. If confidentiality is lost, the listed issuer must immediately announce information to Bursa.

How to maintain confidentiality and prevent leakages?

1. Put in place internal control policies on confidentiality – eg. maintain a privy list of people involved in the transaction or in possession of price sensitive information, and require each person on the privy list to sign a confidentiality agreement.
2. Limit dissemination and access of information to those who “need to know” only.
4. Ensure a secure information technology (“IT”) system for communication and document management purposes – eg. keep confidential information on protected drives and tightly control access through password/blocking mechanism.
5. Be vigilant towards any indication of leakage by constantly monitoring trading activity, price movement of the listed securities or any rumour/report.

How to deal with leakages?

1. Do the following if there is any unusual trading activity, significant price movement of the listed securities or rumour/report:
   - make due enquiry whether a leakage has occurred; and
   - take appropriate steps to make immediate announcement to Bursa if information is no longer confidential.

KEY TAKEAWAYS
Rumours or Reports

Principle: If there is a rumour or report, a listed issuer should consult its directors, major shareholders and such other persons familiar with the matter, to ascertain whether the rumour or report contains undisclosed material information. The listed issuer should clarify, confirm or deny the rumour or report immediately without waiting for a query from Bursa.

Should a listed issuer respond to all articles or reports?

| Published information is general in nature | Published information is reasonably specific and has not been previously disclosed |
| Not expected to respond or clarify unless market reacts to such information | Immediately announce if information is material |

Tips: Characteristics of information which is reasonably specific:
- Information which is capable of being identified, defined or explicitly expressed; or
- Information which is reasonably precise or certain

Unusual Market Activity

Principle: Where there is unusual price movement, trading activity or both, a listed issuer must immediately undertake a due enquiry and issue a clarifying announcement.

What should the listed issuer do when an unusual market activity occurs?

✅ DO’s

1. Undertake a due enquiry with the relevant persons such as the directors, major shareholders and persons familiar with the listed issuer’s affairs to determine the cause of any unusual market activity, and make a clarifying announcement immediately.

❌ DON’Ts

1. Avoid giving standard statement that states “we have nothing to disclose” or “we are not aware of anything that may give rise to the unusual market activity” in the clarifying announcement or response to unusual market activity query.
**Equal Access to Material Information**

Principle: All investors must have equal access to material information. No selective disclosure of material information is allowed.

**How to deal with journalists, analysts or fund managers (“external parties”)?**

| When responding to questions | • Avoid disclosing non-public material information.  
 • If a question touches on non-public material information, state that listed issuer is unable to respond or comment at the time and that an appropriate announcement will first be made to Bursa Securities before the listed issuer responds. |
|-----------------------------|--------------------------------------------------------------------------------------------------|
| When reviewing reports/financial analysis | • Comment/correct errors in factual information which may mislead the market.  
 • Avoid providing forecast or projection of revenue, earnings or other profit indicators.  
 • Need not comment on opinions made by authors of report such as predictions of future revenue, earnings or other quantitative data.  
 • Avoid amending draft reports if doing so involves providing non-public material information. If fundamental erroneous or misleading information is detected, inform the author that the draft report is erroneous and should not be released in its present form. |
| When conducting meetings/briefings with external parties (“External Meetings”) | • Keep to a minimum the number of spokespersons.  
 • Brief the spokespersons on their role and what they may disclose at meetings.  
 • Keep accurate records of meetings.  
 • Open up briefings held by the listed issuer for groups of analysts or fund managers, to key stakeholders such as the media.  
 • Post prepare information or materials on website concurrently with commencement of or immediately after meeting.  
 • Immediately announce to Bursa if non-public material information is inadvertently disclosed at meeting and consider requesting for suspension of securities to enable release of information. |
### What may or may not be disclosed to external parties during a media or analysts’ briefing?

<table>
<thead>
<tr>
<th>May disclose to external parties</th>
<th>May not disclose unless first announced to Bursa Securities or simultaneously to Bursa Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle: Generally, may disclose any information relating to the listed issuer’s business, operations or financial performance provided that the disclosure –</td>
<td>Principle: May not disclose if information concerning the listed issuer’s affairs gives a person an advantage on his investment decision, particularly where as a result of his investment decision based on the information received, the person is able to make a profit or reduce his potential lost.</td>
</tr>
<tr>
<td>• will not affect a person’s investment decision; and</td>
<td>Examples:</td>
</tr>
<tr>
<td>• will not give any advantage to the person making his investment decision.</td>
<td>• specific plans to acquire a business, or mergers and acquisitions</td>
</tr>
<tr>
<td></td>
<td>• specific corporate exercises to be undertaken including bonus issues, rights issues, share splits or consolidation, bonus warrants</td>
</tr>
<tr>
<td></td>
<td>• any information relating to earnings forecast/projections or profit guidance</td>
</tr>
<tr>
<td></td>
<td>• any information relating to possible capital management including capital repayment, special dividends or specific annual dividends</td>
</tr>
<tr>
<td></td>
<td>• award of material contracts/projects</td>
</tr>
<tr>
<td></td>
<td>• major shareholders’ intention to privatise or sell-out</td>
</tr>
</tbody>
</table>

### How to broaden public dissemination of information?

1. Leverage on advances made in IT to broaden channel for dissemination of information.
2. Use website to disseminate information and enhance investor relations. For this purpose, information on the website must be current, updated, relevant and of value add to investors.

Note: Prior to posting any material information or announcements on the website, such material information must first be disclosed to Bursa Securities.

### Establishment of Corporate Disclosure Policies & Procedures

Principle: Listed issuer should develop and implement effective disclosure policies and procedures

**What is the listed issuer expected to do?**

1. **Establish written corporate disclosure policies and procedures (“CDPP”) that provide a good framework for compliance with the disclosure policies under the LR.**

   **DO’s**

2. Ensure that the CDPP is practical and reviewed regularly.

3. Identify and appoint a senior officer to take overall responsibility for ensuring compliance with the disclosure obligations, as well as overseeing and co-ordinating disclosure of information.
CHAPTER 4: OTHER DISCLOSURE GUIDANCE

Profit Guidance

Why provide profit guidance statement?

1. To give early notification to shareholders of the positive or negative impact of material developments on the listed issuer’s financial results.

How to make a profit guidance statement?

☑️ DO’s

1. Where developments in the listed issuer indicate any material improvement or deterioration in the financial results:
   - promptly assess the impact of such information; and
   - immediately provide a profit guidance statement on the likely impact - first to Bursa Securities or simultaneously to Bursa Securities and the media.

Note: “material improvement or deterioration in the financial results” refers to a situation where the financial results of a listed issuer may be significantly above or below the general market expectation, historical trend or profit estimate/forecast or projection previously announced.

☒️ DON’Ts

1. Avoid deferring the release of the profit guidance statement until the announcement of the periodic reports.

Fraud/Financial Irregularity

What should a listed issuer do when it discovers a fraud/financial irregularity?

☑️ DO’s

1. Immediately assess the materiality of the fraud/financial irregularity and make an immediate announcement, if the fraud/financial irregularity is material.

2. Ensure that the announcement contains sufficient information, including –
   - the financial and operational impact of the fraud/financial irregularity on the listed issuer; and
   - the measures or steps taken to address the fraud/financial irregularity.

3. If an auditor is appointed to investigate into the matter and the investigative audit reveals material findings, immediately announce the material findings.
Announcement by External Parties / Authorities

What should a listed issuer do in relation to announcements made by government ministries or agencies regarding a policy which may impact the listed issuer?

✓ DO’s

1. Assess the announcement by a government ministry or agency regarding a government policy to determine whether it is material.

   Examples of such announcements include announcement on variation in power tariff, imposition of windfall tax, revision in the independent power purchase agreements or toll concessionaire agreements, or approval or deferment of any increase in new charges.

2. If material, immediately announce to Bursa Securities and include the business and financial impact of such government policy on the listed issuer, in the announcement.

   If financial impact cannot be ascertained, still announce the government policy vis-à-vis its relevance to the listed issuer and make an update announcement when the information is available.

Announcement of Material Information for a Listed Issuer with Multiple Listings

How to disclose material information if a listed issuer has multiple listings?

✓ DO’s

1. Ensure that material information is simultaneously announced to Bursa Securities and the other stock exchanges regardless of whether Bursa Securities is open for trading.
Disclosing Purpose and Utilisation of a General Mandate

What should be disclosed as part of the purpose and utilisation of a general mandate?

✅ DO’s

1. Provide a clear explanation on the purpose for which the general mandate is sought – eg. indicate whether the funds to be raised from the issuance of new shares will be utilised to finance any proposed acquisition or capital expenditure of the existing business operations, or whether the funds are for working capital purposes.
CHAPTER 5: QUALITY OF FINANCIAL DISCLOSURES

Principle: Financial statements must be prepared in a timely manner and represent a true and fair view of the listed issuer’s state of affairs

Board's Obligations

*How does the board ensure the quality of financial disclosures?*

** ✓ DO's**

1. Ensure that there are adequate processes and systems in place, as well as competent resources.

2. Members of the board should be financially literate and continue to keep abreast of latest developments in financial reporting requirements and regulatory changes.

3. Directors should be proactive in asking questions or probing management on accounting or financial reporting issues.

4. To ensure timeliness of disclosure, announce financial results immediately after board’s approval has been obtained.

Financial Highlights and Financial Indicators

** ✓ DO's**

1. Disclose in the annual reports, the financial highlights of the major items set out in the statement of comprehensive income and statement of financial position, together with the financial indicators for the last 5 years or since listing (if it has been listed less than 5 years).
Detailed Analysis of Group’s Operating Segments

What is the extent of information required to be disclosed that would be considered as a “detailed analysis”?

☑️ DO’s

1. Comment on the performance of each of the listed issuer’s business activity (as segmented in the annual report), and the factors that resulted in the revenue or profits improving or declining as compared to the corresponding period including –

- the market condition and demand for its goods and services;
- the level of its operating activities;
- the factors or circumstances affecting the changes to the revenue, costs and profit margin of each business activity or segment;
- any unusual or one-off gains/losses affecting the revenue or profit; or
- any other information which can provide a better understanding of the listed issuer’s performance.

❌ DON’Ts

1. A general statement that the revenue and profit for the period has increased or decreased by a certain percentage without elaboration is not acceptable.

Details of Major Components in Statement of Cash Flows

1. Detailed guidance on the information required to be disclosed is provided in paragraph 5.14 of this CD Guide.
CHAPTER 6: PRESENTATION AND CONTENT OF MD&A

Principle: Listed issuer is encouraged to prepare and include a separate statement in its annual report containing the listed issuer’s management discussion and analysis of its business operations and financial performance during the financial year.

What are the contents of the MD&A?

45. MD&A should provide shareholders with a holistic discussion and analysis of the performance, opportunities and risks underlying the results and financial condition of the listed issuer’s group.

46. MD&A should focus on the following areas:

- overview of group’s business and operations, objectives and strategies
- discussion of operational capabilities to achieve desired business objectives and results

- review and discussion of financial results, financial position and financial condition conveyed in the financial statements
- discussion of anticipated or known risks that may have a material effect on, among others, the sustainability of the group’s results or operations, financial condition or liquidity
- discussion of expectations of future results

Detailed guidance on the details to be disclosed for each area is set out in Chapter 6 of this CD Guide.
APPENDICES: EXAMPLES AND ILLUSTRATIONS

Explanatory Notes to the Appendices

Where relevant, the Appendices include examples and illustrations showing how the principles, recommendations and best practices outlined in this CD Guide could be applied. They are to be treated strictly as examples only. Therefore, a listed issuer should only use the examples and illustrations provided here as guidance when discharging its disclosure obligations under the LR. The examples and illustrations provided are also by no means exhaustive.
Illustrative examples of events that require immediate disclosure of material information

The following are several illustrations of examples in which a listed issuer is required to make an immediate announcement. ABC Bhd is the listed issuer and for simplicity, the transactions referred to in each example should be regarded as having a material effect on the price, value or market activity of ABC Bhd’s securities.

EXAMPLE 1

(a) ABC Bhd enters into negotiations with B Sdn Bhd to acquire B Sdn Bhd and the terms and conditions are being finalised. A number of options in which the acquisition may proceed are being explored but ABC Bhd has not made any firm decision whether or not to proceed.

A daily news media reports that ABC Bhd and B Sdn Bhd are in discussion and are about to merge, and that the merger will have a positive financial impact on ABC Bhd.

ABC Berhad is required to make an immediate announcement of the negotiations that are taking place. While the proposal is incomplete or in a state of flux and hence, paragraph/Rule 9.05 of the LR can be applied, it is clear that the negotiations have not remained confidential. Hence ABC Bhd is expected to confirm to the market that it is in discussion with B Sdn Bhd, but no decision has been made on whether or not to proceed.

(b) The negotiations between ABC Bhd and B Sdn Bhd reach a stalemate and the parties determine that the proposed acquisition will not proceed. Discussions are then terminated.

Since the negotiations about the merger have been previously announced, ABC Bhd must immediately disclose the discontinuation of the proposal upon the negotiations with B Sdn Bhd collapsing.

(c) ABC Bhd subsequently enters into negotiations with C Sdn Bhd to purchase C Sdn Bhd’s business. Both ABC Bhd and C Sdn Bhd execute confidentiality undertakings not to disclose the terms of the negotiations pertaining to the proposed business purchase.

However, a daily news media reports, in specific details, the terms of the proposed business purchase.
EXAMPLE 2

(a) ABC Bhd proposes to acquire XYZ Bhd, a listed issuer in the same industry. Although the acquisition has been contemplated by the board of ABC Bhd for some time, no formal offer has been made as yet. ABC Bhd and XYZ Bhd have just begun confidential negotiations with a view that ABC Bhd will acquire XYZ Bhd. Information about the negotiations is strictly limited to the parties and their advisers.

Coincidentally, there is an article in the media speculating about the rationalisation in the industry, and both ABC Bhd and XYZ Bhd are mentioned as potential targets for rationalisation.

Generally, both ABC Bhd and XYZ Bhd are not required to clarify the media article if the comments in the article:

• appear to be speculative;
• are based on generally known circumstances about the industry; and
• are based on industry analysis of that information rather than the specific circumstances of ABC Bhd and XYZ Bhd.

However, if arising from the media article, there is a material movement to the price, volume and market activity of ABC Bhd’s and XYZ Bhd’s securities, both ABC Bhd and XYZ Bhd must provide clarification on the media article.
(b) Discussions between ABC Bhd and XYZ Bhd proceed as before and are significantly advanced. Only one major issue remains unresolved. After a few days of intense discussions, it becomes apparent that neither party will concede and the proposed acquisition is abandoned.

A day later, 2 of XYZ Bhd’s advisers are discussing the failed proposed acquisition where part of their conversation is overheard by a senior reporter. On the following day, the media features an article about a proposed deal between the parties under the headline “ABC Bhd to make bid for XYZ Bhd”.

Prior to the media article, no announcement was made by ABC Bhd and XYZ Bhd in relation to the proposed acquisition.

Both ABC Bhd and XYZ Bhd must make an immediate announcement that there is no intention to proceed with the bid. In the absence of such announcement from both ABC Bhd and XYZ Bhd, the inaccurate media article is likely to mislead the market as investors will not know whether the media article is accurate or not.

(c) After a few months and a change in circumstances relating to the proposed acquisition, discussions between ABC Bhd and XYZ Bhd resume. Subsequently, analysts and the news editors publish a report on XYZ Bhd which includes details of the negotiations between ABC Bhd and XYZ Bhd. Arising from this, there is a material movement in price and volume of the securities in ABC Bhd and XYZ Bhd.

Both ABC Bhd and XYZ Bhd must disclose the fact that negotiations have resumed. Such disclosure is required as the negotiations are no longer confidential and their existence has been disseminated to the market.
As a general rule, a listed issuer is required to make an immediate announcement of all material information to Bursa Securities.

However, a listed issuer may temporarily withhold material information in exceptional cases, as set out in paragraph/Rule 9.05 of the LR, provided that strict confidentiality is maintained. In cases where material information is withheld, the listed issuer must not delay unreasonably from disclosing the information.

Pending the release of the announcement to Bursa Securities, all parties who are privy to the information must maintain strict confidentiality of the information. This would include all external parties who may have assisted in the drafting of the agreements and negotiations, management staff and board members.

Nevertheless, the listed issuer must immediately announce the information withheld if –

(a) material information has been inadvertently disclosed to third parties or through the media;  
(b) there is unusual market activity in the listed issuer’s securities which signifies a leak may have occurred;  
(c) rumours or reports concerning the information have appeared; or  
(d) the listed issuer learns that there are signs that insider trading may be taking place.

To illustrate the timeline in releasing announcements in accordance with the LR or in accordance with this CD Guide, a case study has been included. The accompanying case study incorporates some events that require disclosures according to the disclosure requirements in the LR and this CD Guide.

When a listed issuer is faced with an actual event that requires disclosure, the listed issuer must comply with the disclosure requirements set out in the LR and seek guidance from this CD Guide.
CASE STUDY

ABC Berhad ("ABC"), a corporation listed on Bursa Securities is involved in the engineering, construction and property development industries.

ABC plans to purchase a piece of land located just outside Johor Bahru from Bursa Rubber Plantation Berhad ("DEF"), a corporation also listed on Bursa Securities ("Proposed Land Acquisition"). The said land measures about 1000 hectares and is estimated to be worth around RM400 million. The corporate proposal is a material transaction for both ABC and DEF.

At the beginning of April 2011, ABC and DEF commence negotiations on the terms and conditions of the Proposed Land Acquisition.

For ABC, the Proposed Land Acquisition is expected to exceed 25% based on the percentage ratio as defined in Chapter 10 of the LR. The Proposed Land Acquisition will be done through its 53% owned subsidiary, ABC Property Development Sdn Bhd ("ABC Property"). ABC has announced earlier that it would acquire the remaining 47% of ABC Property's equity for RM27 million cash, making ABC Property its wholly owned subsidiary ("Proposed Subsidiary Acquisition").

On 8 April 2011, the news on the Proposed Land Acquisition and Proposed Subsidiary Acquisition (collectively the "Proposed Acquisitions") is reported in a national daily. The extract of the report is as follows:

"ABC Berhad ("ABC") through its subsidiary ABC Property Development Sdn Bhd ("ABC Property") is reportedly in the midst of negotiations to purchase a 700 hectare land just outside Johor Bahru.

More recently, ABC has proposed to increase its stake to 100% in ABC Property. ABC has proposed to purchase 3.5 million shares, or a 47% stake in ABC Property for RM27 million cash, making ABC Property its wholly owned subsidiary. ABC Property's core business is in the provision of property development, landscaping and maintenance of building."

On the same day, ABC receives calls from several reporters enquiring whether the purchase of the land has been finalised.

On 15 April 2011, the Board of Directors of both ABC and DEF agree to the final terms and condition of the Proposed Land Acquisition.

On 16 April 2011, a sale and purchase agreement is signed between ABC and DEF during an official signing ceremony that is held during trading hours, followed by a media conference thereafter.
Other relevant facts:

The persons assigned with responsibilities under ABC’s Corporate Disclosure Policy and Procedures (“ABC’s CDPP”) include the following:

1. The Board has delegated the function to approve any disclosure of material information to both the Managing Director (“MD”) and the Finance Director (“FD”).

2. The Company spokespersons are the Chairman of the Board, the MD and the FD.

3. The Company Secretary is the “designated person”.

RECOMMENDED PRACTICES TO BE COMPLIED WITH

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<th>Event(s)</th>
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<th>Recommended Practices</th>
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<tr>
<td>Early April 2011</td>
<td>Commencement of negotiations between ABC and DEF</td>
<td>ABC should do the following to maintain confidentiality of the negotiations:</td>
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<td>i. notify DEF of ABC’s CDPP in relation maintaining confidentiality of information, and procure an undertaking from DEF to maintain confidentiality;</td>
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<td>ii. limit dissemination and access of information pertaining to the negotiations to only those who “need to know”;</td>
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<td>iii. maintain a list of people involved in the transaction or who are in possession of sensitive information pertaining to the transaction, and require each person in the list to sign a confidentiality agreement;</td>
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<td>iv. remind all parties involved of the need to keep such information strictly confidential, and if the parties are employees, remind them also of the code of ethics on confidentiality that is in place; and</td>
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<td>v. monitor the media and the trading activities of ABC’s listed securities to ascertain whether there is leakage of unpublished information.</td>
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33 Please note that the recommended practices are set out from the perspective of ABC only and do not reflect that of DEF.
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<td>Since ABC and DEF are in negotiations on the terms and conditions of the proposed transaction, and the facts are still in a state of flux, ABC decides that no announcement is required to be made at this juncture.</td>
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<td>8 April 2011</td>
<td>Media reports of the Proposed Acquisitions and related news</td>
<td>Upon becoming aware of the newspaper report, the designated person should verify the report by liaising with the MD, FD and any other relevant persons who may have the information or who may be involved in the Proposed Acquisitions. The designated person should then compile the relevant facts relating to the report to assist in determining whether an immediate announcement in accordance with the LR is required. The designated person and both the MD and FD are guided by the following principles that should be outlined in ABC's CDPP: i. If the information is not material, no further announcement needs to be made. ii. If the material information has yet to be disclosed, an immediate announcement should be made to Bursa Securities in accordance with the LR. iii. If the material information has already been disclosed by ABC through Bursa LINK, the designated person, in consultation with the MD and FD, will decide whether another announcement to Bursa Securities should be made to confirm, clarify or deny the report as the case may be.</td>
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The following illustrates the recommended actions to be taken by the MD and FD in dealing with the reported news on the Proposed Acquisitions:

1. “ABC Berhad (“ABC” through its subsidiary ABC Property Development Sdn Bhd (“ABC Property”) is reportedly in the midst of negotiations to purchase a 700 hectare land just outside Johor Bahru.”

The above statement contains material information that has not been disclosed. In addition, the information contained is inaccurate, as the land area measures about 1000 hectare, and not 700 hectare as reported. As such, the MD and FD decide that an announcement will be made to confirm that it is in negotiations to acquire the said land and to clarify the report, without waiting for a query from Bursa Securities.

2. “More recently, ABC has proposed to increase its stake to 100% in ABC Property. ABC has proposed to purchase 3.5 million shares, or a 47% stake in ABC Property for RM27 million cash, making it a wholly owned subsidiary. ABC Property’s core business is in the provision of property development, landscaping and maintenance of building.”

The above material information has been disclosed earlier and the MD and FD decide that no further announcement will be made in this regard.

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<td>8 April 2011</td>
<td>Calls from reporters enquiring whether the Proposed Land Acquisition has been finalised</td>
<td>Any call from the media should be directed to ABC's spokespersons or designated person. The spokespersons or designated person then advises the media that only authorised spokespersons of the company can release any statement or material information relating to the company. Given the announcement made in response to the media reports on 8 April 2011 and the fact that negotiations are still ongoing, the spokespersons should not divulge additional material information which has not been disclosed. The spokespersons should be aware of the need to avoid disclosing additional or new material information, as this will risk the contravening of the LR. If the call is attended by anyone other than the spokespersons, or the spokespersons inadvertently disclose other material information, the designated person should be immediately informed. If undisclosed material information is inadvertently conveyed to the media, an immediate announcement of the material information to Bursa Securities is necessary.</td>
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<td>15 April 2011</td>
<td>Agreement on the final terms and conditions of the Proposed Land Acquisition by the Board of Directors at 3 p.m.</td>
<td>Upon agreeing to all the final terms and conditions of the Proposed Land Acquisition, ABC requests for a suspension of trading of its securities on Bursa Securities and submits the application to Bursa Securities at 3.30 p.m. The request for suspension is to enable ABC to prepare and finalise the announcement to Bursa Securities, and in view of the media conference to be held on 16 April 2011 during trading hours.</td>
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<td>Bursa Securities suspends the securities of ABC immediately on 15 April 2011.</td>
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<td>16 April 2011</td>
<td>Signing of Sale &amp; Purchase Agreement</td>
<td>Upon signing of the agreement, ABC makes an announcement in accordance with the LR, concurrently with the announcement made by DEF on the same subject matter.</td>
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DISCLAIMER

Although care has been taken in the production of this Guide, there is no warranty expressed or implied as to the accuracy or completeness of the material herein. In no event shall Bursa Malaysia be liable for any claim, howsoever arising, out of or in relation to this Guide. Bursa Malaysia shall under no circumstances be liable for any type of damages (including but not limited to, direct, indirect, special, consequential, incidental or punitive damages whatsoever or any lost profits or lost opportunity). All applicable laws, regulations and existing Bursa Malaysia Securities Berhad’s Listing Requirements should be referred to in conjunction with this Guide.

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