



萬洲國際
WH GROUP

WH Group Limited
萬洲國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 288)
(the “Company”)

INSIDE INFORMATION DISCLOSURE POLICY
ADOPTED BY THE BOARD ON 17 JULY 2014

1. Policy Mission

1.1 The Company is committed to:

- (a) complying with the Listing Rules, the Securities and Futures Ordinance and other regulatory requirements in relation to the disclosure of inside information;
- (b) preventing uneven, inadvertent or selective dissemination of inside information; and
- (c) ensuring shareholders and the public are provided with full, accurate and timely information about the Company’s activities and its financial condition.

1.2 The purpose of the Inside Information Disclosure Policy (the “Policy”) is to set out the practices and procedures in relation to:-

- (a) the monitoring of business and corporate developments and events so that any potential inside information is promptly identified and relayed to the board of directors of the Company (the “Board”) to enable it to make timely decisions on disclosure, if necessary; and
- (b) the taking of appropriate measures to preserve confidentiality of inside information until proper dissemination according to the relevant rules and regulations.

2. Responsibilities regarding determination of inside information

2.1 The Board is ultimately responsible for deciding whether or not a transaction, development or event constitutes inside information and disclosure of which shall be made immediately, and when a trading suspension/trading halt is required.

- 2.2 The Chief Executive Officer and the Chief Financial Officer are responsible for identifying potentially relevant transactions, developments or events and advising the Board on whether or not such transaction, development or event constitutes inside information. The Chief Executive Officer will monitor the operational data of the core business activities of the Group. The Chief Financial Officer is responsible for establishing and maintaining the financial reporting framework and procedures to ensure a structured flow of financial and operational data required for appraising the Group's financial position, and monitoring any material changes in the Group's financial performance which are required to be brought promptly to the Board's and/or the Chief Executive Officer's attention.
- 2.3 The Chairman of the Company is responsible for communicating with the media, analysts and investors on relevant issues and, subject to the regulatory obligations of the Company, is responsible for ensuring that there is balanced and timely disclosure of the relevant information to such stakeholders in accordance with the section headed "External Communication Guidelines" below. He shall coordinate closely with the Company Secretary in the timing of release of inside information.
- 2.4 The authorised representative (as defined in the Listing Rules) of the Company is responsible for the communication with the regulators in respect of matters related to the Company as a listed issuer. The Company Secretary is responsible for reviewing this Policy and making recommendations on amendments thereto to the Board, if necessary, in order to ensure strict compliance with the changing regulatory requirements. The Company Secretary shall also provide assistance to the Chief Executive Officer and the Chief Financial Officer as and when needed and to coordinate legal advice if necessary.
- 2.5 A team of executives to be appointed by the Chairman of the Company (collectively, "Inside Information Monitoring Team") is responsible for monitoring continuously any changes in their respective areas of operation that would result in potential inside information which is required to be brought to the attention of the Chief Executive Officer and the Chief Financial Officer in a timely manner, and to ensure that there are proper safeguards to preserve the confidentiality of any unpublished or potential inside information. Discussions and updates on potential events or transactions which may or could reasonably be expected to lead to inside information are to be reported as soon as practicable and if there is no immediate announcement obligation, at the regular Management Meeting to the Chief Executive Officer/Chief Financial Officer, as appropriate.

- 2.6 Set out in Appendix 1 of this Policy are the Examples of Possible Inside Information as set out in the SFC Guidelines on Disclosure of Inside Information as reference to relevant officers-in-charge (that is, Chief Executive Officer, Chief Financial Officer and Inside Information Monitoring Team) in identifying potential inside information. It is important to note that the examples are not exhaustive, and the relevant officers-in-charge have an obligation to exercise their own judgment in reporting and determining materiality.
- 2.7 The Chief Executive Officer and the Chief Financial Officer must, in relevant circumstances, ensure that reasonable precautions are made for preserving the confidentiality of such information and that access to the relevant inside information inside information, and (b) closely monitor and regularly report to the Chief Executive Officer and Chief Financial Officer on the development or progress of the relevant matter. The Company Secretary shall, during the period before the relevant inside information is disclosed, closely monitor the activity of Company's securities, and arrange to prepare a "holding" announcement to be released when there is increased rumour and speculation relating to the undisclosed information whilst the Chief Financial Officer shall closely monitor market response and keep the Chief Executive Officer updated.
- 2.8 The Chief Executive Officer and the Chief Financial Officer may, if considered appropriate, direct the Inside Information Monitoring Team to prepare a sensitivity list identifying factors or developments which are likely to give rise to the emergence of inside information to be maintained by the Company Secretary, and regularly review such list at the regular Management Meeting.

3. Reporting and Assessment

3.1 Any employee who becomes aware of a matter, development or event that he/she considers to be material or potentially inside information shall report it promptly to the Inside Information Monitoring Team who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report it to the Chief Executive Officer and the Chief Financial Officer. Upon being notified, the Chief Executive Officer and the Chief Financial Officer shall, having taken into account the Safe Harbours permitted under the Securities and Futures Ordinance, assess whether the Company is required to make the relevant disclosures and provide advice to the Chairman. If considered appropriate, the Chairman may convene a Board meeting to consider and decide whether or not the information constitutes inside information and disclosure of which shall be made immediately or whether the Safe Harbours do not obligate the Company to make the relevant disclosures. The Company Secretary shall provide assistance to the Chief Executive Officer and the Chief Financial Officer as and when needed and to co-ordinate legal advice if necessary.

3.2 When considering a disclosure, the Board shall decide on the scope of information to be released and the timing of the release. If a matter is evolving over time, such as, when negotiations are at a stage that makes it impossible to be more forthcoming, and more precise details could only be released at a later stage, the Board might decide issuing a “holding” announcement or simply issuing a “no comment” statement.

Directors may seek independent professional advice, if and when appropriate, to ensure that the Company can timely comply with the disclosure requirements. If the Chief Financial Officer becomes aware that the general market projections of the Company’s financial performance are materially different from the in-house estimates, he/she shall promptly notify the Board of the differences, and the Board may consider, if and when appropriate, issuing a warning announcement. If a matter, development or event, after assessment, is considered not inside information, the Chief Executive Officer and the Chief Financial Officer might consider, if and when appropriate, informing the market in order to facilitate stakeholders’ understanding of the Company’s ongoing developments. Under such circumstances, the information may be released in the form of news release, or as the Chief Executive Officer and the Chief Financial Officer consider appropriate, through other communication channels, such as corporate publications or presentations.

3.3 The Company Secretary is responsible for maintaining an audit trail of meetings and discussions concerning the assessment of inside information.

4. Accuracy and completeness of information

- 4.1 According to Rule 2.13(2) of the Listing Rules, the information to be disclosed must be accurate and complete in all material aspects and not be misleading or deceptive.
- 4.2 The relevant Senior Management/ Business Units Heads/ Department Heads by whom the to-be disclosed matter, development or event is identified and/or is being handled shall be responsible for (a) providing the Chief Financial Officer and the Company Secretary with the precise details to enable the preparation of the related announcement or news release, if necessary, and (b) confirming the accuracy and completeness of the information before it is publicly disclosed.

5. Handling of emergency situations - delegation of authority to the Chief Executive Officer

There may be circumstances where the Company is faced with an unexpected and significant event, such as, unusual price and/or trading movements in the Company's securities, or market rumour which requires immediate clarification in order to avoid the development of a false market in its securities, or inadvertent dissemination of inside information. Given the prompt response time required and in the event that the Board is not able to convene a physical meeting or the approval for a clarification announcement could not be reasonably expected to be obtained promptly by way of written resolution or the Chairman might not be reached, the Chief Executive Officer, under such circumstances, is empowered to take appropriate action to ensure compliance with the disclosure requirements, including but not limited to issuing a "clarification" or "holding" announcement, and to approve the making of a request to the Stock Exchange for a suspension in the trading of the Company's securities pending publication of an announcement.

6. Application of Safe Harbours

In the case where the Chief Executive Officer and the Chief Financial Officer decide that the Company is not obligated to make disclosure of certain information pursuant to the Safe Harbours, such a decision shall be documented by the Company Secretary who shall:

- (a) describe the matter in question;
- (b) include a statement as to the materiality of the matter; and

- (c) describe the Safe Harbour relied on and steps, if any, which may require a review of the decision depending on future developments (if any).

7. Disclosure of inside information

- 7.1 An announcement of the relevant information shall, subject to the recommendations of the Chief Executive Officer and the Chief Financial Officer or approval of the Board, as the case may be, be published without further delay once the matter, development or event has been concluded and finalised.
- 7.2 Confidentiality of inside information must be preserved before the information is released properly. Proper dissemination of inside information must be made via the electronic publication system operated by the Stock Exchange before the information is released via other channels.

8. Maintaining Confidentiality and Dealing Restrictions

8.1 Directors and employees

Directors and employees who possess unpublished inside information must:

- (a) refrain from discussing that information with, or divulging that information to, any unauthorized persons (in the case where a transaction is being discussed, divulgence of information should be limited to persons involved with the transactions only);
- (b) ensure appropriate confidentiality agreements are in place when the Company enters into significant negotiations; and
- (c) ensure that any documents or other written material in his/her possession in relation to that information are properly and securely stored and are not disclosed to any unauthorised persons.

Directors and employees must not deal in the Company's securities when they are in possession of unpublished inside information. Details of dealing restrictions imposed on Directors and employees are respectively set out in the Model Code for Securities Transactions by Directors and Relevant Employees of the Company.

8.2 External parties

It may be necessary for certain categories of person who deal with the Company (e.g. substantial shareholders, lenders, advisers, credit-rating agencies, government departments or other parties with whom the Company is negotiating) to be informed of

certain inside information (e.g. incomplete proposal or negotiation, trade secret etc) prior to its public release. In this regard, the Company must adopt measures to ensure that knowledge of such information is restricted to those persons on a need-to-know basis. Such external parties shall be informed that they must not divulge such information to any unauthorised persons without the Company's prior written consent.

Unless an obligation of confidentiality is implicit in the relationship with the relevant external party, the external parties who have access to unpublished inside information of the Company shall (a) confirm their commitment to non-disclosure of the received information in the form of a written confidentiality agreement or in a standard clause within the contract signed with the Company; and (b) undertake not to deal in the Company's securities whilst they are in possession of the unpublished inside information until such information has been publicly disclosed.

9. Trading Suspension

The Board may, if and when appropriate, apply for a suspension in the trading of the Company's securities in order to maintain fair trading in its securities and to manage any disclosure issues before the inside information is publicly disclosed.

10. External Communication Guidelines

10.1 A small number of designated staff with the appropriate skills and training can speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

10.2 Selective disclosure of inside information by relevant staff before such information is publicly released must be avoided. As a general principle, authorised persons shall only explain information already in the public domain, and shall avoid giving answers, when there exists a risk of providing unpublished or potential inside information to the receiving party.

10.3 To reduce the risks of providing unpublished or potential inside information in meetings/ briefings with the media/analysts/investors, the following procedures shall be closely observed:-

- (a) authorised persons shall seek clarification from the relevant parties, such as the responsible Senior Management/ Business Units Heads/ Department Heads should there be any uncertainty to the extent and nature of information that they can disclose before attending an external interview or briefing in order to avoid any inadvertent disclosure of unpublished or potential inside information;

- (b) procedures to review presentation materials shall be developed in advance before they are released at analysts' or media briefings;
- (c) briefings and discussions with analysts or the media shall be recorded afterwards to check whether any inside information has been inadvertently disclosed; and
- (d) no interviews or briefings to discuss the Group's financial performance shall be conducted during "black out" periods.

10.4 Comments on analysts' reports shall be limited to:

- (a) information that has been disclosed publicly; and
- (b) where an analyst's report contains a misconception or misinterpretation of the Company's information and which may mislead the market. Clarifications in such case must be confined to information that has been duly published.

11. Training

The Company is responsible for providing training to relevant employees to help them understand the Company's policies and procedures as well as their relevant disclosure duties and obligations.

12. Review and disclosure of this Policy

12.1 The Board conducts timely review of this Policy and will, if and when appropriate, make amendment to this Policy to ensure the effectiveness of the Policy.

12.2 This Policy will be published on the Company's website so that the public, including the media and other stakeholders, understand the Company's statutory disclosure obligations.

13. Queries

If, at any time, Directors or employees have any queries regarding their reporting obligations, they should contact the Company Secretary immediately.

Appendix 1

Examples of Possible Inside Information under the SFC Guidelines on Disclosure of Inside Information

- Changes in performance, or the expectation of the performance, of the business;
- Changes in financial condition, e.g. cashflow crisis, credit crunch;
- Changes in control and control agreements;
- Changes in directors and (if applicable) supervisors;
- Changes in directors' service contracts;
- Changes in auditors or any other information related to the auditors' activity;
- Changes in the share capital, e.g. new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction;
- Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities;
- Takeovers and mergers (corporations will also need to comply with the Takeovers Codes that include specific disclosure obligations);
- Purchase or disposal of equity interests or other major assets or business operations;
- Formation of a joint venture;
- Restructurings, reorganizations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses;
- Decisions concerning buy-back programmes or transactions in other listed financial instruments;
- Changes to the memorandum and articles (or equivalent constitutional documents);
- Filing of winding up petitions, the issuing of winding up orders or the appointment of provisional receivers or liquidators;
- Legal disputes and proceedings;
- Revocation or cancellation of credit lines by one or more banks;

- Changes in value of assets (including advances, loans, debts or other forms of financial assistance); properties' values;
- Physical destruction of uninsured goods;
- New licenses, patents, registered trademarks;
- Decrease or increase in value of financial instruments in portfolio which include financial assets or liabilities arising from futures contracts, derivatives, warrants, swaps protective hedges, credit default swaps;
- Decrease in value of patents or rights or intangible assets due to market innovation;
- Receiving acquisition bids for relevant assets;
- Innovative products or processes;
- Changes in expected earnings or losses;
- Orders received from customers, their cancellation or important changes;
- Withdrawal from or entry into new core business areas;
- Changes in the investment policy;
- Changes in the accounting policy;
- Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy;
- Pledge of the corporation' s shares by controlling shareholders; or
- Changes in a matter which was the subject of a previous announcement.