



PESTEC INTERNATIONAL BERHAD

(formerly known as “PESTECH INTERNATIONAL BERHAD”)

Registration No. 201101019901 (948035-U)

**CORPORATE DISCLOSURE
POLICY AND PROCEDURES**

CORPORATE DISCLOSURE POLICY AND PROCEDURES

Definitions		Meaning
Board	:	The Board of Directors of the Company
Bursa	:	Bursa Malaysia Securities Berhad
CMSA	:	Capital Markets and Services Act 2007
Director	:	Includes all independent and non-independent directors, executive and non-executive directors of the Group and shall also include alternate or substitute directors
Employees	:	All individuals directly contracted to the Group on an employment basis, including permanent and temporary employees excluding Directors and Management
Group	:	The Company and its subsidiaries, collectively
Group ED	:	Group Executive Director of the Group
Group MD	:	Group Managing Director of the Group
CC	:	Corporate Communication
MCCG	:	The Malaysian Code on Corporate Governance
MMLR	:	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Officer	:	All Directors, management and employees of the Group
PESTEC or the Company	:	PESTEC International Berhad (<i>formerly known as "PESTECH INTERNATIONAL BERHAD"</i>) (Registration No. 201101019901 (948035-U))
Subsidiary	:	A corporation in which the Company controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital excluding preference shares

1. Introduction

In formulating this policy, PESTEC has taken into account the recommendations contained in the MCCG and its disclosure obligations contained in the MMLR of Bursa.

PESTEC is committed to provide accurate, clear and timely disclosure of material information pertaining to the Company's performance and operations to shareholders, media, investing community and other stakeholders.

PESTEC will ensure material information concerning the Company is made as freely and widely as practicable and shareholders, media and the investing community have equal access to such information to avoid individual or selective disclosure, subject to compliance with the relevant rules and regulations. The Company encourages exchange of views with its principal stakeholders and will organise its communications to facilitate such dialogue.

This Corporate Disclosure Policy and Procedures applies to Officers of the Group. It outlines the Company's approach towards the determination and dissemination of material information especially price-sensitive information, the circumstances under which the confidentiality of the information will be maintained, and prohibitions on insider trading. It also sets out the internal guidelines to facilitate implementation and consistent disclosure practices across the Group.

2. Rationale and Objective

To develop an effective IR programme and strategy to communicate the corporate vision, strategies, developments, financial plans and prospects to the investors, financial community and other stakeholders fairly and accurately and to obtain feedback from the stakeholders.

This policy also aims to:-

- (a) Develop and maintain a positive relationship with all the shareholders and stakeholders through active two-way communication;
- (b) Promote and demonstrate a high standard of integrity and transparency through timely, accurate, quality and full disclosure;
- (c) Reinforce PESTEC's commitment to comply with the continuous disclosure obligations imposed by Bursa Securities as stipulated in Paragraphs 9 and 10 of the MMLR with an aim to ensure that all communications to the investing public about the business and affairs of PESTEC are: informative, complete, timely, factual and accurate, consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements.

3. Procedures and Practices on Corporate Disclosures

3.1. Material Information

- (a) Material information is any information about the Group which is reasonably expected to have a material effect on:-

- (i) The market price or value of the Company's securities; or activity in the trading of its securities; or
 - (ii) The decision to buy, sell or continue holding the Company's securities which is made by an existing holder of those securities, or someone considering an investment in those securities.
- (b) The events which may require immediate disclosure are set out in Paragraph 9.04 of the MMLR and all amendments thereto from time to time by Bursa and/or other regulators.
- (c) Materiality can be subjective and the Company will take the approach of assessing the likely effect of the information on the price, scope of activities and financial position or performance of the Company's securities, in addition to whether the circumstances or events are measurable and would trigger the relevant thresholds in the percentage ratio calculations set out in the MMLR.
- (d) Without prejudice to the generality of what amounts to material, (save for related party transactions) the Company has determined the threshold for the disclosure of material information, by way of an announcement to Bursa, for the transactions provided in **Appendix I**.

The threshold for Related Party Transactions and Recurrent Related Party Transactions are governed by Chapter 10 of the MMLR.

- (e) PESTEC must immediately announce to Bursa Securities the events set out in Paragraph 9.19 of the MMLR and all amendments thereto from time to time by Bursa and/or other regulators.

3.2. Responsibility to report on significant corporate developments

- (a) It is essential that the Group ED and Group Managing Director be fully informed on the Group's developments that could potentially impact the disclosure process.
- (b) It is the responsibility of the Group ED and Group Managing Director to keep the Directors fully apprised of all significant developments in the Group so as to:-
 - (i) Facilitate determination of materiality, appropriateness and timing for public disclosure of the information, or whether the information should remain confidential;
 - (ii) Ensure appropriate understanding of significant developments and updates which may be relevant to on-going communication with the investing community; and
 - (iii) Avoid denying significant developments when in fact, such developments are occurring.

4. IR Structure and Responsibility

The Company has established the following CC structure and responsibility for the implementation of CC programme and strategy:-

4.1. Primary Spokesperson:

(a) Group ED

The Group ED has been appointed to communicate with audience constituents and respond to questions in relation to the corporate vision, strategies, developments, future prospects, financial results and plans, operational matters, etc.

4.2. Secondary Spokesperson:

(a) Head of CC

The Head of CC may only communicate to audience constituents information already in the public domain, unless they are authorised by the Primary Spokesperson to undertake broader communications.

Others within the Company or the Company's consultants, advisors or public relations service providers may be designated by the Group ED to respond to, or assist in responding to, specific inquiries as necessary or appropriate.

Employee who is not authorised Spokesperson must not respond under any circumstances to inquiries from the investment community or the media, or from other parties if received outside the scope of the employee's usual responsibilities, unless specifically asked to do so by an authorized Spokesperson.

5. Mode of Disclosure

The Company makes use of a broad range of communication channels to disseminate information regarding the Group. These would include:

- (a) Electronic facilities provided by Bursa;
- (b) Press releases;
- (c) Corporate website;
- (d) Emails;
- (e) Oral statements made in group meetings and individual meetings with members of the investment community (which include analysts, investors, investment dealers, brokers, investment advisers and investment managers) or with employees;
- (f) News conferences, road shows, industry events and investor conferences; and

- (g) Annual General Meetings / Extraordinary General Meetings.

This disclosure policy does not apply to communications in the ordinary course of business not involving material information.

6. CC Programme and Strategies

The Company has the following programmes and strategies in place to bridge and enhance the relationship with investors or potential investors:-

6.1. Announcement of Material Information and Press Release

After the approval from the Group ED on releasing material information is obtained, an announcement is made to Bursa and/or a company press release will be issued to all major newspapers.

6.2. Annual General Meeting or Extraordinary General Meeting and Press Conference

The Annual General Meeting / Extraordinary General Meeting / Press Conference is held to communicate with the shareholders on the Group's performance, strategy, proposed corporate exercises, outlook, operational matters, etc.

6.3. Annual and Quarterly Financial Reports

The Annual Report and quarterly financial reports are submitted to Bursa and are also available on the corporate website of the Company.

6.4. Meetings or Interviews with investors, analysts and media

The spokespersons will meet the shareholders, analysts or media to update them on the Group's performance, strategy, development, etc.

6.5. Participate in Web Portal

The Company has established a corporate website including the creation of an Investor Relation section within the corporate website to reach out to current and potential investors.

7. Reports, Rumours and Social Media

7.1. Analysts' reports

It is the Company's policy not to provide focused guidance to analysts in their efforts to develop their financial reports or earnings estimate of the Company. The Company will point out factual errors or assumptions which are inconsistent with previously announced information.

7.2. Rumours

It is the Company's policy not to respond or comment on market rumours and speculation, unless they appear to contain material information or misinformation,

or may be reasonably expected to affect the price of the Company's securities or trading activity in those securities.

When a report or rumour about the Company contains material errors, the Company may issue an announcement to Bursa Securities to deny or clarify the matter and provide sufficient supporting information in accordance with the MMLR.

7.3. Social Media

Employees are prohibited from participating in discussions of the Company's corporate matters in chat rooms, bulletin boards, newsgroup, blogs, or other social networking sites.

Specific individuals may from time to time be authorized by the Group ED to communicate with the public on various social media platforms, in accordance with the Company's policies and guidelines, but no material information may be disclosed.

8. Maintaining Confidentiality

Any employee privy to confidential corporate information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business or required by law (provided always the employee must give prior notification to the Company if he/she is compelled by law to make disclosure). Efforts will be made to limit access to such confidential information to only those who "need to know" the information.

Outside parties privy to undisclosed material information concerning the Group will be told that they must not divulge such information to anyone else. Management shall ensure that such outside parties confirm their commitment to non-disclosure under a written confidentiality agreement.

In addition to the above, Officers and consultants of Group are expected to observe the following:

- (a) Do not read or discuss confidential information in places where the discussion may be overheard;
- (b) Confidential documents should not be read or displayed in public places or discarded where they can be retrieved;
- (c) Documents and files containing confidential information should be securely stored in locked cabinet with restricted access;
- (d) Transmission of documents by fax, email or other electronic means should be made only where it is reasonable to assume that transmission can be made and received under secure conditions;
- (e) Documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded and extra copies of confidential documents should be destroyed;

- (f) Ensuring confidential documents cannot be accessed through technology such as shared servers;
- (g) Keeping confidential information on protected drives and tightly controlling access through password protection and blocking mechanism;
- (h) 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 duration of idle time.

The Company will only withhold material information from the public for legitimate business or regulatory purposes. These include:-

- (a) When immediate disclosure would prejudice the ability of the Company to pursue its corporate business objectives;
- (b) When the facts are in a state of flux and a more appropriate timing for disclosure is imminent; and
- (c) Where company or security laws restrict such disclosure.

Where the confidentiality of information is lost or cannot be maintained, the Company will take necessary steps to make an immediate announcement of such information to Bursa Securities.

9. Insider Trading

A person is an “insider” if that person:

- (a) Possesses information that is not generally available which on becoming generally available a reasonable person would expect it to have a material effect on the price or the value of the securities; and
- (b) Knows or reasonably ought to know that the information is generally not available.

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

The relevant provisions of the CMSA apply to all insiders.

10. Obtaining Feedback

The Company has developed various channels for shareholders and major stakeholders to provide their comments and feedback in relation to the Company’s operational, performance, governance and strategic matters.

The Company will consider the relevant comments and feedback received in establishing its corporate strategy.

11. Contact Details

The Company has developed the following channel for shareholders and major stakeholders to provide their comments and feedback:

Email: info@pestech-international.com

Telephone No.: +603 7845 2186

12. Periodic Review

The policy shall be reviewed periodically by the Board.

(Pre-Determined Threshold for Announcement to Bursa Securities)

(Important: Notwithstanding the pre-determined threshold, the materiality test under Paragraph 9.03(2) of the MMLR remains applicable)

1. Contract Awarded to the Group and Associate Companies

(a) Triggering Event

- (i) Receipt and acceptance of a written documentation from the client or the client's authorised representative confirming the award of the contract and the document sets out the agreed terms and conditions.
- (ii) Example of documents: letter of award and contract / agreement.

(b) Threshold

Value of contract is equivalent to an amount $\geq 10\%$ of the Group's total annual consolidated revenue (latest audited accounts).

2. Terminated Contracts

(a) Triggering Event

Receipt of a written documentation from the client or the client's authorised representative terminating the contract.

(b) Threshold

Value of unbilled fee is equivalent to an amount $\geq 10\%$ of the Group's total annual consolidated revenue (latest audited accounts).

3. Litigation / Arbitration (against the Group and/or Associate Companies)

(a) Triggering Event

Receipt of Originating Summons or Writ of Summons / Written Notification of Arbitration Proceedings.

(b) Threshold

Potential exposure based on the opinion provided by the appointed legal firm exceeds 10% of the Company's annual consolidated revenue (latest audited accounts).

APPENDIX I (cont'd)

4. Announcement on Transactions

(a) Triggering Event

Upon the signing of any document confirming the transaction.

(b) Threshold

Any one of the percentage ratios (as listed in Paragraph 10.02(g) of the MMLR) and requirements under Part D and Part E of the MMLR.