



# CHINA WANTIAN HOLDINGS LIMITED

中國萬天控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1854)**

**(the “Company”)**

## DISCLOSURE OF INSIDE INFORMATION POLICY

### 1. Purpose

- 1.1 This policy aims to set out guidelines to the directors (the “**Directors**”), officers and all relevant employees of the Company and its subsidiaries (collectively the “**Group**”) to ensure inside information of the Company is to be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations.
- 1.2 The term “relevant employee” refers to employee of the Group, because of his office or employment, who is likely to be in possession of the unpublished inside information.

### 2. Commitment

- 2.1 The board of Directors (the “**Board**”) is committed to:
  - a. complying with the disclosure requirements as set out in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Part XIVA of the Securities and Futures Ordinance, Chapter 571 (the “**SFO**”); and
  - b. providing equal, timely and effective inside information to be accessed by the shareholders and the public.

### 3. Roles and Responsibilities

- 3.1 The parties responsible for administering the Policy are:
  - a. **the Board** is responsible for approving and amending the Policy. The Board decides whether or not specific information constitutes inside information and disclosure of which shall be made immediately, and when a trading suspension or trading halt is required. The chairman of the Board shall be the authorised spokesperson for the Board and the Company unless resolved otherwise by the Board.
  - b. **Chief Executive Officer** is responsible for assessing and advising the Board on whether or not specific information constitutes inside information. The Chief Executive Officer shall be the authorised spokesperson for the Company unless resolved otherwise by the Board.

- c. **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 and monitoring any material changes in the Company's financial performance which are required to be brought promptly to the attention of the Board. The Chief Financial Officer shall be the authorised spokesperson for the Group in respect of its financial information (including communicating with analysts and investors) unless resolved otherwise by the Board.
- d. **Company Secretary** is the authorised spokesperson to communicate with the media, analysts and investors and is responsible for communicating with the regulators in respect of matters related to the Company and ensuring that there is full, accurate and timely disclosure of inside information in accordance with the disclosure requirements. The Company Secretary is also responsible for conducting periodic reviews of the Policy and making recommendations on amendments thereto, if necessary, in order to ensure strict compliance with the changing regulatory requirements.
- e. **Division / Department Heads** are responsible for establishing effective system, controls and procedures to (i) enable them to monitor continuously any changes in their respective areas of operation that would result in potential inside information which is required to be brought to the Chief Executive Officer's attention in a timely manner; and (ii) ensure that there are proper safeguards to preserve the confidentiality of any potential inside information. They are the authorised spokespersons for the Company to communicate with its stakeholders in respect of their respective areas of operations.

#### 4. Guidelines on Inside Information

4.1 Section 307A(1) of the SFO states that "Inside Information", in relation to a listed corporation, means specific information that:

- a. about the corporation, the corporation's shareholder or officer\*, or the corporation's listed securities or their derivatives; and
- b. that is not generally known to the persons who are accustomed or would be likely to deal in the corporation's listed securities but would, if generally known to them be likely to materially affect the price of the listed securities.

4.2 The guidelines are provided to assist employees or Directors in identifying potential inside information which shall be reported to the Chief Executive Officer for consideration as to whether or not the specific information constitutes inside information and disclosure of which shall be made properly. It is important to note that the examples of inside information given below are not exhaustive, and employees and Directors shall exercise their own judgment in determining inside information.

## 4.3 Example of Inside Information

### 4.3.1 Business and operations

- Changes in performance, or the expectation of the performance, of the business
- Changes in directors and (if applicable) supervisors
- Changes in directors' service contracts
- Changes in auditors or any other information related to the auditors' activity
- 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
- Physical destruction of uninsured goods
- New licenses, patents, registered trademarks
- Decrease in value of patents or rights or intangible assets due to market innovation
- Receiving acquisition bids for relevant assets
- Innovative products or processes
- Orders received from customers, their cancellation or important changes
- Withdrawal from or entry into new core business areas
- Changes in the investment policy
- Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy
- Changes in a matter which was the subject of a previous announcement

### 4.3.2 Financial results

- Changes in financial condition, e.g. cashflow crisis, credit crunch
- Restructurings, reorganizations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses
- Changes in value of assets (including advances, loans, debts or other forms of financial assistance)
- Insolvency of relevant debtors
- Reduction of real properties' values
- 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
- Changes in expected earnings or losses
- Changes in the accounting policy

#### 4.3.3 Changes in capital structure

- 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
- Purchase or disposal of equity interests or other major assets or business operations
- Pledge of the corporation's shares by controlling shareholders

#### 4.3.4 Changes in corporate structure

- Changes in control and control agreements
- Takeovers and mergers (corporations will also need to comply with the Takeovers Codes that include specific disclosure obligations)
- Formation of a joint venture

4.4 The guidelines shall be reviewed periodically by the Company Secretary who will make recommendations on amendments thereto, if necessary.

4.5 If at any time, employees have any questions about the application of the Guidelines, they shall contact the Company Secretary immediately.

### **5. Reporting and Dissemination of Inside Information**

5.1 Any employee who becomes aware of a matter, development or event that he /she considers it to be inside information shall report it promptly to his Division /Department Head who will assess the specific information and, if considered appropriate, report to the Chief Executive Officer.

5.2 Upon being notified, the Chief Executive Officer shall assess and, if considered appropriate, consult the chairman of the Board who may convene a board meeting to consider and decide whether or not the specific information constitutes inside information and disclosure of which shall be made immediately.

5.3 The Company Secretary will closely monitor the share price of the Company to ensure that there is no leakage of inside information.

5.4 When considering a disclosure, the Board shall decide on the scope of information to be released and the timing of the release. The disclosure must be made in a manner that can provide for equal, timely and effective access through an electronic publication system of the Stock Exchange for disseminating information to the public.

5.5 If the matter subject to disclosure is being developed, such as, when negotiations are at a stage that more precise details could only be released at a later stage, the Board will balance the timing of disclosure with completeness of information release in order to avoid the issue of any premature or incomplete information which may be

misleading or cause a confusion to the public. The Board might decide issuing a holding announcement which details as much of the subject matter and sets out reasons why a fuller announcement cannot be made. Directors may seek independent professional advice, if and when appropriate, to ensure that the Company can timely comply with the disclosure requirements.

5.6 If the Chief Financial Officer becomes aware that the market projections of the Company's financial performance are materially different from the in-house estimates, he shall promptly notify the Board of the differences, and the Board may consider, if and when appropriate, issuing a profit alert/warning announcement.

## **6. Exemption and waiver to the disclosure requirement**

6.1 Disclosure of inside information is not required if and so long as the circumstances of the case fall within one of the following safe harbours under the Part XIVA:

- a. the disclosure is prohibited or restricted by an enactment or a court order;
- b. the information concerns an incomplete proposal or negotiation (e.g. in the brainstorming stage);
- c. the information concerned is a trade secret;
- d. when the Government's Exchange Fund or central bank provides liquidity support; or
- e. if a specific waiver is granted by the Securities and Futures Commission as it is satisfied that the disclosure would contravene foreign legislation/a foreign court order/a restriction imposed by a foreign law enforcement agency or a foreign government authority.

6.2 With the exception of safe harbour (a), all other safe harbours will be applicable only if the Company has taken reasonable precautions for preserving the confidentiality of the information and the confidentiality of the information is actually preserved.

## **7. Accuracy and completeness of information**

7.1 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. The Company Secretary who is responsible for ensuring compliance with the disclosure requirements shall take reasonable steps to verify the accuracy and completeness of the inside information before it is publicly disclosed.

## **8. Trading Halt or Trading Suspension**

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

## **9. Maintaining Confidentiality and Dealing Restrictions**

### **9.1 Directors and employees**

9.1.1 Directors and employees who possess inside information must:

- a. refrain from discussing that information with, or divulging that information to, any persons (except for communication with the Group's advisers who owe a duty of confidentiality, e.g. lawyers, and other categories of persons as allowed under the Part XIVA) who are not necessary to receive that information;
- b. ensure that any documents or other written material in his possession in relation to that information are properly and securely stored and are not disclosed to any unauthorized persons; and
- c. ensure that any person or the counterparty who receive or possess inside information is fully aware of the importance of preserving confidentiality.

9.1.2 Directors and employees must not deal in the Company's securities when they are in possession of inside information. Details of dealing restrictions are referred to the Model Code for Securities Transactions by Directors of Listed Issuers set out in the Appendix 10 to the Listing Rules.

## **10. Obligations on Officers**

10.1 Officers who fail to comply with disclosure obligations may bear personal liability. Every officer of a listed company must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement.

10.2 An officer may be personally liable if (i) his intention, reckless or negligent conduct resulted in the breach, or (ii) he / she failed to take all reasonable measures from time to time to ensure that proper safeguards existed to prevent breaches.

## **11. Directors and Officers Liability**

11.1 The disclosure regime will be enforced by the Securities and Futures Commission through the Market Misconduct Tribunal ("MMT"). Should the MMT find a breach of disclosure requirements, it may make a number of civil orders.

- An order that, for a period not exceeding 5 years specified in the order, the person must not, without the leave of the Court of First Instance (a) be or continue to be a director, liquidator, or receiver or manager of the property or business, of a listed corporation or any other specific corporation; or (b) in any way, whether directly or indirectly, be concerned or take part in the management of a listed corporation or any other specific corporation.
- An order that, for a period not exceeding 5 years specified in the order, the person must not, without the leave of the Court of First Instance, in Hong Kong, directly or indirectly, in any way acquire, dispose of or otherwise deal in any securities, futures contract or leveraged foreign exchange contract, or an interest in any

securities, futures contract, leveraged foreign exchange contract or collective investment scheme.

- An order that the person pay to the Government a regulatory fine not exceeding \$8,000,000.

## **12. Review of the Policy**

The Policy shall be reviewed periodically by the Company Secretary who will make recommendations on amendments thereto, if necessary.

## **13. Queries**

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

(November 2022)

*\* According to Part 1 of Schedule 1 of the SFO, an officer means a director, manager or secretary or any other person involved in the management of the corporation.*