

## **1. INTRODUCTION**

The Board of Directors of Sern Kou Resources Berhad (“The Board”) is committed to provide effective communication to its shareholders and general public.

## **2. OBJECTIVES**

2.1 The objectives of the Disclosure Policy are as follows :

- 2.1.1 To raise awareness and provide guidance to the Board, Management, officers and employees on the Company’s disclosure requirements and practices;
- 2.1.2 To provide guidelines and policies to disseminate corporate information;
- 2.1.3 To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- 2.1.4 To build good investor relations with the investing public that inspires trust and confidence.

## **3. SCOPE AND APPLICABILITY OF THE POLICY**

3.1 This Policy applies to all directors, officers, employees of the Company and its subsidiaries and those authorised to speak on their behalf. This policy covers but is not limited to the following: -

- a. Electronic facilities provided by Bursa Securities;
- b. Press releases;
- c. Letters to shareholders;
- d. Corporate Website;
- e. Emails;
- f. Oral statements made in group meetings, individual meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, Investment advisers and investment managers) or with employees;
- g. Interviews with media;
- h. Speeches;
- i. Presentation by senior management;
- j. News conferences;
- k. Conference calls;
- l. Financial and no-financial disclosure; and
- m. Any other dealings with the general public.

#### **4. STRUCTURE FOR CORPORATE DISCLOSURE**

The Board is ultimately responsible for ensuring that the Corporate Disclosure Policy is implemented effectively and the disclosure requirements as set out are fulfilled.

4.1 The Board will be responsible for the following:

- 4.1.1 To oversee the Group's disclosure controls and procedures and ensure adherence to the Policy.
- 4.1.2 To ascertain if any corporate developments, transactions and other events constitute material information and if so, ensuring the procedures outlined in the Policy are adhered to.
- 4.1.3 To make timely disclosure of material information in accordance with applicable securities laws, MMLR of Bursa Securities and other regulatory requirements, from time to time.
- 4.1.4 To response to any query raised by Bursa Securities or other applicable securities regulatory.
- 4.1.5 To review and update the Policy to ensure compliance to MMLR and other regulatory requirements, from time to time.

4.2 Authorised Spokesperson

- 4.2.1 The Board designates a limited number of spokespersons ("Authorised Spokesperson/(s)") responsible for the communication.
- 4.2.2 The lists of the Authorised Spokespersons are as follows:

**Primary Spokespersons**

- a. Chairperson
- b. Managing Director
- c. Executive Directors

**Secondary Spokesperson**

Chief Financial Officer

4.3 The Primary Authorised Spokespersons are authorised to deal with all aspect of the following matters:

- 4.3.1 Company's operations,
- 4.3.2 Financial positions,
- 4.3.3 Future prospects,
- 4.3.4 Strategies,
- 4.3.5 Governance,
- 4.3.6 Management, and
- 4.3.7 Products and services.

- 4.4 Primary Authorised Spokespersons in respond to the specific enquiries from the Public, shall not disclose material information that has not been previously made public.
- 4.5 The Secondary Spokesperson may only communicate to public on information already in the public domain unless they are authorised by the Primary Authorised Spokespersons to undertake broader communications.
- 4.6 Employees other than the Authorised Spokespersons shall not respond to inquiries from the investment community or media unless authorised to do so by referring to the Primary and the Secondary Authorised Spokespersons.
- 4.7 If there is any ambiguity about the appropriateness of supplying information to an outsider, the authorised spokespersons shall be contacted for advice.

## **5. MAINTAINING CONFIDENTIALITY**

- 5.1 Any employee who is privy to confidential 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. Efforts will be made to limit access to confidential information to only those who “need to know” the information.
- 5.2 Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else to ensure that such outside parties confirm their commitment to non-disclosure under a written confidentiality agreement.

## **6. DISCLOSURE POLICY AND PROCEDURES**

The Corporate Disclosure Policy of the Company sets out when disclosure is required by the Company

### **6.1 Immediate Disclosure of Material Information**

- 6.1.1 The Company must announce immediately any transaction entered into under Part D and Part E of the Chapter 10 of the Main Market Listing Requirements (“MMLR”). The materiality has been predetermined and is measured by applying specific percentage ratios.
- 6.1.2 The Company must announce immediately the occurrence of events prescribed under paragraph/Rule 9.19 of the MMLR. No assessment of materiality is needed for the events.

6.1.3 A transaction will not be automatically excluded from the requirement for an announcement even if Chapter 10 does not require it. The disclosure requirement is not executed mechanically. Instead, the Company will undertake the materiality assessment by applying the principles outlined in paragraph/Rule 9.03 of the MMLR to assess materiality. This assessment will determine whether an announcement is necessary for general matters or events without predetermined materiality. Pursuant to the requirement, 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.

6.1.4 The Company will further take the following factors into account in assessment of whether an event or information is material:

- a) the anticipated impact of the information on the Company's entire scope of activities;
- b) the anticipated impact of the information on the Company's financial position or performance; or
- c) the relevance of the information on the factors that determine the Company's share prices.

## 6.2 Contents of Announcement or Circulars

6.2.1 The Company must emphasise substance over form when disclosing announcement or circulars.

6.2.2 The Company aims to ensuring the investing public has a good understanding of information disclosed.

6.2.3 The Company must disclose the total consideration together with the basis and justification for the consideration.

6.2.4 The Company must disclose the contribution to group's net profit in a disposal transaction including the intended application of sale proceeds.

6.2.5 Contents in circulars must be factual, clear and not lengthy to facilitate easy understanding.

## 6.3 Clarification, Confirmation or Denial of Rumours or Reports

6.3.1 Whenever the Company becomes aware of a rumour or report, it should ascertain whether it contains undisclosed material information and make an announcement to Bursa Securities to deny or clarify the matter, and provide sufficient supporting information in accordance with the MMLR.

6.3.2 The Company must not make evasive announcement that do not clarify, confirm or deny a rumours or report.

6.4 Unusual Market Activity

6.4.1 Where there is unusual trading activity or price movement in the Company's shares, the Company must upon query from Bursa Securities undertake due enquiry to determine the cause and issue a clarifying announcement.

6.5 Equal Access to Material Information

6.5.1 The Company can provide any information to journalists, analysts and fund managers as long as it does not include any undisclosed material information.

6.5.2 The Company must immediately announce to Bursa Securities any non-public material information which has been inadvertently disclosed when responding to question from journalists, analysts or fund manager.

6.5.3 When conducting meetings with outside parties, the Company keeps to a minimum number of authorised spokespersons.

6.5.4 The Company will disseminate information through its website to shareholders and to enhance investor relations including email address, name of designated person, contact numbers to enable public to forward queries.

6.6 Insider and Employee Trading

6.6.1 Capital Market & Service Act 2007 ("CMSA")

Pursuant to Section 188 (1) of the CMSA, 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 material effect on the price or the value of the securities; and
- b) Knows or reasonably ought to know that information is generally not available.

In addition, Section 188(2) of the CMSA states that an insider shall not, whether as principal or agent, in respect of any securities to which information in subsection 188(1) relates:

- a) Acquire or dispose or enter into an agreement for or with a view to the acquisition or disposal of such securities; or
- b) Procure, directly or indirectly, an acquisition or disposal of, or the entering into an agreement for or with a view to the acquisition or disposal of such securities.

Based on the above definitions, these would include but not limited to the following: -

- a) Directors and officers of the Company and subsidiaries;
- b) Employees
- c) Persons who provide business or professional services to the Company; and
- d) Any other person or company informed about undisclosed material information about the Company by any of the above parties.

As such, the persons stated above with insider knowledge of undisclosed material information, is prohibited from trading in the Company's securities until after the information has been disclosed.

#### 6.6.2 Dealing Restrictions

- a) It is prohibited for anyone with knowledge of material information affecting the Company which has not been publicly disclosed, to purchase or sell securities of the Company. Except in the necessary course of business, it is also illegal for anyone to inform or tip any other person of material no-public information. Question as to whether information has previously been disclosed in accordance with this Disclosure Policy be directed to the Chief Financial Officer or Company Secretary.

#### 6.6.3 Closed Period

- a) The Company adopts the Closed Period as stated in the MMLR, defined as a period commencing 30 calendar days before the targeted date of announcement up to the date of the announcement of the Company's quarterly results to Bursa Securities.
- b) All authorised Spokespersons are prohibited from continuing on current period earnings estimates and financial assumptions; and must also avoid initiating meetings (in person or by phone) with investment analyst, security holders, potential investors and the media on items significant to investors, other than responding to unsolicited inquiries concerning factual information.
- c) Having stated the above, the Company does not stop all communications with analysts investors during this period any may, for example, participate in investment meetings and conferences organized by other parties, as long as material information which has not been publicly disclosed, is not selectively disclosed.

The Company Secretary will advise the Directors and principal officers on the trading restrictions in the Company's securities in accordance with the provisions of the Bursa Securities MMLR.

6.7 Other disclosure

6.7.1 Profit Guidance

Where there is material improvement or deterioration in the Company's financial results, the Company will assess the impact and immediately provide a profit guidance statement on the likely impact.

6.7.2 Fraud/Financial Irregularity

Where there is a fraud or financial irregularity taking place, the Company will immediately assess the materiality and immediately announce if it is material including the financial and operational impact and steps taken to address it.

6.7.3 Announcement by External Parties/Authorities

The Company will immediately announce to Bursa Securities any announcement by a government ministry or agency regarding a government policy which is material to the Company including the business and financial impact

6.7.4 Disclosing Purpose and Utilisation of a General Mandate

The Company may procure a general mandate from its shareholders at a general meeting to issue shares in accordance with the Companies Act 2016 and the requirements under the MMLR.

6.7.5 Financial Reports and Annual Report

The Company should present a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The management should provide sufficient explanation and information to Board to enable the Board to make an informed assessment of the financial and other information before put it for approval to enable the Board as a whole and each Director to discharge their duties under the MMLR.

As required by the MMLR, the Board shall ensure that the Company:

- a) publishes an announcement of the quarterly results of the Company not later than two (2) months after the end of each quarter of the financial year.
- b) issue to its shareholders an annual report that includes annual audited financial statements together with the auditors' and directors' reports in respect of each financial year within four (4) months from the close of the financial year.

Quarterly and annual reports will be announced to Bursa Securities upon approval by the Board. The announced quarterly and annual reports will subsequently be posted on the Company's and Bursa Securities' websites.

- a) The Board is responsible for the preparation of timely and reliable financial statements and represents a true and fair view of the statement of affair of the Company.
- b) To facilitate easy reference, the Company discloses in its annual report, financial highlight of major items including disclosure in its notes to the quarterly report, a detailed analysis of the performance of all operating segments of the Group and details of major components in the statement of cash flows.

## **7. OBTAINING FEEDBACK**

- 7.1 The Company has developed various channels via email, mail or telephone for shareholders and major stakeholders to provide their comments and feedback in relation to Company's operational, performance, governance and strategic matters.
- 7.2 The Company will consider the relevant comments and feedback received in establishing its corporate strategy.

## **8. REVIEW**

- 8.1 This policy has been circulated internally and is made readily available to all employees to ensure transparency and smooth operationalisation of the provisions in this policy.
- 8.2 The Board will review this Corporate Disclosure Policy from time to time to ensure its relevance, practically and remains consistent with the Board's objectives and responsibilities.

This Corporate Disclosure Policy will be circulated and made available to all present and new directors, officers, employees, consultants and contractors of the Company and its subsidiaries.

A revised version of this Corporate Disclosure Policy will be distributed whenever significant changes are made.

<p><b>Adopted by Board: 24 February 2021</b> <b>Updated and Adopted by Board on: 24 April 2024</b></p>
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