

**CAPE EMS BERHAD**  
**[Formerly known as CAPE EMS MANUFACTURING (M) SDN. BHD.]**  
**[Registration No. 199901026859 (501759-M)]**  
**(Incorporated in Malaysia)**

**CORPORATE DISCLOSURE POLICIES AND PROCEDURES**

<b>Corporate Disclosure Policies and Procedures</b>			
<b>Board's Approval Date</b>	<b>Effective Date</b>	<b>Revision Date</b>	<b>Version Number</b>
<b>1 April 2022</b>	<b>1 April 2022</b>	<b>-</b>	<b>-</b>

<b>Version</b>	<b>Date</b>	<b>Summary of Changes</b>

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**CORPORATE DISCLOSURE POLICIES AND PROCEDURES**

**1. PURPOSE**

The Corporate Disclosure Policies and Procedures (“CDPP”) is aimed to assist the Board of Directors of Cape EMS Berhad [Formerly known as Cape EMS Manufacturing (M) Berhad] (“Company”) (“Board” and each a “Director”) in furnishing information that is comprehensive, clear, accurate, and is made on a timely basis and to ensure that communications to the investing public are accurate, timely, factual, informative, balanced, broadly disseminated and in compliance with applicable legal and regulatory requirements.

In formulating this CDPP, the Company has taken into account the best practices and guidance of the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (“SC”) and its disclosure obligations contained in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”).

**2. OBJECTIVES**

The key objectives of the CDPP are as follows:

- (i) to enable the persons to whom this CDPP applies (as set out in Section 3 of this CDPP) to understand their obligations in preserving information integrity and confidentiality and to reinforce the Company’s commitment to comply with disclosure obligations imposed by all applicable legal and regulatory requirements on disclosure of material information;
- (ii) to formalise the disclosure policies, guidelines, and procedures, as well as to adopt a consistent approach on disclosure practices throughout the Company and all its group of companies (“CAPE” or the “Group”);
- (iii) to ensure the Group complies with all applicable legal and regulatory requirements on disclosure of material information;
- (iv) to provide guidelines and policies in disseminating corporate information to, and in dealing with shareholders, stakeholders, analysts, media, and the investing public;
- (v) to encourage communication network between the Group and the public leading to transparency and good governance;
- (vi) to protect and prevent the improper use or disclosure of material information and Group’s confidential information;
- (vii) to effectively increase understanding of the Group’s business and enhance its corporate image by encouraging practices that reflect openness, accessibility, and cooperation;
- (viii) to raise awareness and provide guidance to the Board, management and employees on the Group’s disclosure requirements and practices as well as to ensure consistency, accuracy, and completeness of the disclosure practices throughout the Group; and
- (ix) to build good investor relations with the investing public that inspires trust and confidence.

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Subject to Section 7.2, this CDPP does not cover:

- (i) material information that is already in the public domain;
- (ii) material information that is not generated or owned by the Company; and
- (iii) material information that summarises, realigns or is computed from material information that is already in the public domain. Examples of which include information on financial ratios that, although never been disclosed directly before, could be derived from realigning figures in financial statements disclosed previously.

**3. SCOPE OF APPLICATION**

This CDPP applies to all directors, management, employees, and Authorised Spokesperson (as defined in Section 6 of this CDPP) of the Group in handling and disclosing material information irrespective of their seniority or designation, which covers the following:

- (i) documents filed with and/or announcements made to, the SC, Bursa Securities, and other regulators or authorities, written statements made in the Company's annual reports, financial statements, quarterly reports, press releases, letters, circulars to shareholders, electronic mail communication and information on the Company's corporate website;
- (ii) oral statements made at group and individual meetings, telephone conversations, interviews, and press conferences with financial analysts, investors, and media; and
- (iii) any other dealings with the general public.

**4. DISCLOSURE AUTHORISATION**

The authority for announcements to Bursa Securities is vested in the Board. The Board, assisted by the Managing Director / Group Chief Executive Officer ("Group CEO"), and the Company Secretary, shall be responsible for the following:

- (i) determining whether information constitutes material information within the ambit of the MMLR;
- (ii) ensuring timely disclosure of material information in accordance with applicable laws and regulations, in particular, the MMLR and stipulations of the SC;
- (iii) approving the contents to be provided to the media, investment community, and other external parties, including the contents to be published in the Investor Relations section of the Company's corporate website;
- (iv) responding to rumors or reports, and unusual market activity as provided under Chapters 9 and 10 respectively of the MMLR; and

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- (v) monitoring adherence to the CDPP, reviewing, assessing, and implementing appropriate remedial actions concerning any violation of the CDPP.

**5. DISCLOSURE AND/OR COMMUNICATION DESIGNATED PERSONS**

The Board is ultimately responsible for ensuring that the CDPP is implemented and the disclosure requirements are fulfilled.

The Board delegates the implementation of the CDPP to the Disclosure and/or Communication Designated Persons. The Disclosure and/or Communication Designated Persons (or any other employees designated by the Company) will generally be responsible to oversee matters relating to the corporate disclosure practices and to ensure adherence to the implementation and monitoring of the compliance with the CDPP, within the extent of their specific roles within the Company.

The Disclosure and/or Communication Designated Persons and their general responsibilities are as follows:

- The Chief Financial Officer (“CFO”) will be overall responsible to oversee and coordinate disclosure of material information in accordance with the MMLR and the CDPP, and disclosure of information to the regulators and shareholders; or
- In the absence of CFO, the Vice President, Corporate Affairs (“VPCA”) will be responsible for the disclosure of information to shareholders, the investment community, the media, and the general public.

**6. AUTHORISED SPOKESPERSON**

The Company designates specific spokespersons (“Authorised Spokespersons”) which can be the Disclosure and/or Communication Designated Persons or the Chairperson, Senior Independent Director, Group CEO, CFO or VPCA, responsible for communicating with shareholders, the investment community, regulators, or the media or to respond to specific inquiries.

**Authorised Spokesperson**

- (i) Primary Spokesperson
- Chairperson
  - Senior Independent Director
  - Group CEO; or
  - CFO.

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The Primary Spokespersons may communicate with audience constituents and respond to questions concerning the corporate vision, strategies, developments, prospects, financial plans, and operation matters of the Group.

- (ii) Secondary Spokesperson
  - Vice President, Corporate Affairs

The Secondary Spokesperson may communicate only in connection with their specific areas of responsibility and as authorised by a Primary Spokesperson either permanently (e.g., via the functional scope of the position) or on a need basis.

No individual who has not been appointed by the Authorised Spokespersons shall respond under any circumstances to external inquiries. All such inquiries shall be referred to the appropriate Authorised Spokesperson(s).

The key responsibilities of the Authorised Spokesperson are as follows:

- (a) may provide clarification on information which the Company has released to Bursa Securities but must not comment on any material information which has not been released to Bursa Securities; and
- (b) may attend to all inquiries from the media, investment community, or other external parties subject to in compliance with the procedures prescribed under Paragraph 7.4 of CDPP and the MMLR.

When communicating with the media, the investment community, or other external parties, the Authorised Spokesperson shall exercise care to ensure comments which may spur speculation or rumors are not made.

## **7. PROCEDURES AND PRACTICES ON CORPORATE DISCLOSURE**

### **7.1 Communication Policy**

The Company strives to ensure all material information is conveyed effectively and in a prompt and timely manner.

The Company's Communication Policy is characterised as follows:

- (i) Purpose – to promote effective communication and provide stakeholders with full and timely information about the Company;
- (ii) Principles - ensuring that all information and disclosures are factual, clear and accurate, transparent, reliable, timely, and in compliance with MMLR;
- (iii) Accountability – parties responsible for communication with stakeholders and whom stakeholders can contact, if necessary;

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- (iv) Non-selective – equality of access to material information and must publish material information at the Company’s website or release to the public in a manner designed to obtain its fullest possible public dissemination; no stakeholder will be given undisclosed material information in any form. However, in line with market practices, more detailed information may be provided to analysts or professional investors, as long as the information is not material and not withheld from other parties if so requested. Moreover, consistent with market practices and subject to strict confidentiality requirements and restricted to only relevant persons, additional information may be provided to the relevant persons such as credit rating agencies strictly to facilitate for due diligence exercise or for the preparation of credit rating reports purposes.

- (v) Communication channels:

Other than communication channels disclosure in the Board Charter of the Company, below are the other communication channels used to promote effective communication between the Group and its stakeholders:

- with stakeholders such as quarterly and annual reports via mail, website, press releases, any electronic form, and announcements;
- by stakeholders such as telephone, mail, email, facsimile, corporate website, electronic form, online meeting, in person at the Company’s office, or via attendance at general meetings.

**7.2 Material information**

- (i) Information is considered material, if it is reasonably expected to have a material effect on:-
- (a) the price, value or market activity of any of the Company’s securities; or
  - (b) the decision of a holder of securities of the Company or an investor in determining his choice of action.
- (ii) Without limiting the generality of subparagraph (i) above, material information may include information which :-
- (a) concerns the Company’s assets and liabilities, business, financial condition or prospects;
  - (b) relates to dealings with employees, suppliers, customers and others;
  - (c) relates to any event affecting the present or potential dilution of the rights or interests of the Company’s securities; or
  - (d) relates to any event materially affecting the size of the public holding of the Company’s securities.

**Immediate disclosure of material information**

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The guidelines which the Company will follow to fulfill its obligation to make an immediate announcement of material information:

- (a) Below are examples events which may require immediate announcement:
- (i) 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 Group has operations or transactions;
  - (ii) Any change of accounting policy or adoption of new accounting standards;
  - (iii) An event beyond the control of the Group such as a fuel price increase or interest rate hike; or
  - (iv) A change in dividend policy
- (b) Materiality can be very subjective and the Company will take the approach of assessing the likely effect of the information on the price, value or market activity of any of the Company's securities; or the decision of a holder of securities of the Company or an investor in determining his choice of action, in addition to whether the circumstances or event are measurable and trigger the materiality thresholds in the percentage ratio calculation method set out in the MMLR.

**7.3 Withholding Confidential Information and Maintaining confidentiality**

- a) The Company may, in exceptional circumstances, temporarily refrain from publicly disclosing material information for legitimate business purposes provided that complete confidentiality is maintained.
- b) Where material information is withheld, the Company must refrain from delaying disclosure for an unreasonable period of time since it is unlikely that confidentiality can be maintained beyond a short period of time.
- c) The exceptional circumstances where disclosures can be withheld are limited and constitute an infrequent exception to the normal requirement of immediate public disclosure. In cases of doubt, the presumption must always be in favour of disclosure.
- d) The following are the exceptional circumstances where disclosure may be temporarily withheld:
  - (i) when immediate disclosure would prejudice the ability of the Company to pursue its corporate objectives;
  - (ii) when the facts are in a state of flux and a more appropriate moment for disclosure is imminent; or

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- (iii) where the laws prohibit the disclosure of such information.
- e) If material information is being temporarily withheld, the Company must ensure that the strictest confidentiality is maintained, including limiting the number of persons having access to the material information and ensuring security of all confidential documents.
- f) Notwithstanding paragraph 7.3(e) above, in the event that 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 Company must immediately announce the information to the Bursa Securities.
- g) During a period where information is withheld from the public, the market activity of the Company's securities must be closely monitored. The Company must immediately announce the information withheld to the Bursa Securities in accordance with MMLR, if the following circumstances occurs:
  - (a) unusual market activity in the Company's securities which signifies that a "leak" of the information may have occurred;
  - (b) rumours or reports concerning the information have appeared; or
  - (c) where the Company learns that there are signs that insider trading may be taking place.

**7.4 Disclosure Process**

The Disclosure Process in announcing material information to Bursa Securities is as follows:

- 7.4.1 Announcement to Bursa Securities to be made either on the same day, after market closure, or during the permissible window period. Should the information be released during trading hours, the Company may request for the temporary suspension of the trading of its shares.
- 7.4.2 Press release to all major newspapers and media services in Malaysia, except in cases of announcements to Bursa Securities for administrative situations.
- 7.4.3 The Board shall grant their approval to the Authorised Spokespersons to release the material information in accordance with the procedures of CDP and Related Party Transaction Policy.
- 7.4.4 The Company may hold investor, analyst, or media briefing or presentation on the announcement of the Company's financial results and any major corporate development. Any disclosure of such material information must be made by an announcement first to the Bursa Securities or simultaneously to the Bursa Securities, the press and newswire services. For the avoidance of doubt, the Company must not release such material information to the media even on an embargoed basis until it has given the information to



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the Bursa Securities. Any such presentation, briefing, or press release will be made available on the Company's website after the announcement first to the Bursa Securities.

**8. LEAKAGES OF MATERIAL INFORMATION**

In the event of leakage of material information, the Company will take appropriate action to make an immediate announcement of the material information to Bursa Securities.

**9. PROCEDURES FOR DISCLOSURE OF MATERIAL INFORMATION**

- (i) The CFO will manage all of the Company's releases of announcements of material information to Bursa Securities through the Company Secretary or the appointed approved adviser in accordance with the applicable securities law and the MMLR and the announcement shall then be approved by the Board and authorise either the Managing Director / Group Chief Executive Officer, any one of the Executive Directors to release to Bursa Securities or such other persons duly authorised by the Board.
- (ii) The Group CEO and/or CFO will review and verify the accuracy of all financial data and subject to Section 7.1 of the CDPP, all information contained in the announcement to ensure that disclosures are consistent with the prevailing accounting standard and guidelines.

**10. PUBLIC DISSEMINATION**

The Company undertakes to disclose material information in a manner that optimizes the extent of dissemination to the public. No disclosure of material information shall be made on an individual or selective basis to the media, investment community, or any other external party unless such information has previously been fully disclosed and disseminated to the public.

The Company shall not disclose any material information to the media, investment community, or any external parties, even on an embargoed basis, until it has provided the information to Bursa Securities.

**11. CLARIFICATION, CONFIRMATION, OR DENIAL OF RUMOURS OR REPORTS**

The Company must respond to a rumour or report by making an immediate announcement to the Bursa Securities as follows:

- (a) if the rumour or report contains erroneous material information, a denial or clarification of the rumour or report together with facts sufficient to support the denial or to clarify any misleading aspects of the rumour or report. The Company

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must also take reasonable effort to bring the announcement to the attention of the party that initially distributed the erroneous rumour or report; and

- (b) if the rumour or report contains material information that is correct, a confirmation of the rumour or report together with the facts of the matter and an indication of the state of negotiations or of corporate plans in the rumoured area. Such announcements are essential even if the matter has yet to be presented to the Company's Board of Directors for consideration.

In the case of a rumour or report predicting future sales, earnings or other quantitative data, the Company is not ordinarily required to provide a response. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to the Company, the Company must: -

- (a) respond promptly to the supposedly factual elements of the rumour or report as required under MMLR; and
- (b) include in the announcement, a statement to the effect that the Company itself has made no such prediction and it is unaware of any facts that would justify making such a prediction.

**12. RESPONSE TO UNUSUAL MARKET ACTIVITY**

Where unusual price movement, trading activity, or both ("unusual market activity") occurs, the Company shall immediately undertake due enquiry to seek the cause of the unusual market activity in its securities. The Company must consider in particular whether there is any information concerning the Company which would account for the unusual market activity that: -

- (a) has recently been publicly disclosed;
- (b) has not been publicly disclosed (in which case the unusual market activity may signify that a "leak" has occurred); or
- (c) is the subject matter of a rumour or report.

The Company should avoid making a standard statement in its clarifying announcement or reply to the unusual market activity 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 unusual market activity arises as a result of a proposal that the Company is working on, this must be disclosed.

**13. INSIDER TRADING**

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- 13.1 The Company and parties who may be regarded as insiders must be fully aware of the provisions of the Capital Markets and Services Act 2007 and the Companies Act 2016.
- 13.2 Based on Section 188(1) of the Capital Market & Services Act 2007, an “insider” is a person who:
- (i) 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 securities; and
  - (ii) knows or ought reasonably to know that the information is not generally available.
- 13.3 Insiders are prohibited from trading based on material information that is not known to the investing public until after the information has been publicly disclosed. Insiders shall not tip off or inform another person of such material information, irrespective of whether such person intends to trade on such information.
- 13.4 Insiders may not deal in the Company’s securities while in possession of insider information, nor may they pass on that information to help another person deal in the Company’s securities.
- 13.5 The Company Secretary will advise the Board on corporate disclosures and the trading restrictions in the Company’s securities in accordance with the provisions of the MMLR.

**14. INVESTOR RELATIONS**

**(i) Investor Relations Function**

The Company strives to build a strong investor relations culture and investor confidence in the Group. As part of the Investor Relations program, the Company seeks to:

- communicate corporate developments, strategy, and financial plans to its investors/ financial community in a timely and engaging manner; liaise and facilitate relationships with analysts and the media to assist them to make informed opinions of the Group.

**(ii) Investor, Analyst and Press briefings**

Investor, analyst, and press briefings are to be held with fiscal half-year or quarterly results and full-year financial results, and the announcement of major corporate developments. Primary Spokespersons will conduct the press conference/briefing, with the assistance from the Secondary Spokespersons, where necessary.

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Such briefing and press conference may take place at the Company's office or any suitable location. Electronic and other communication means to allow for "virtual attendance" may be arranged.

**(iii) Conference Calls**

Quarterly financial results and other important strategic announcements with analysts and institutional investors may be held via conference or "virtual attendance" calls.

**(iv) Other Investor Events**

The Company may organise other investor events such as 'Investor Days' or participate in investor relations roadshow as part of its investor relations program.

**15. CLOSED PERIOD**

"Closed Period" is defined as a period commencing thirty (30) calendar days before the targeted date of announcement or up to the date of the announcement of the Company's quarterly results to Bursa Securities.

During Closed Periods, the Authorised Spokesperson and all Directors are prohibited from commenting on the current period earnings and financial assumptions. Communications shall be limited to commenting on publicly available or non-material information.

**16. FORWARD-LOOKING INFORMATION**

The Company may provide forward-looking information to convey its future direction to the public, to assist the market to accurately value the Company's securities, provided that such forward-looking information does not constitute undisclosed material information/ future earnings and has been reviewed and/ or approved by the Board. Such information may include prospects, revenue, profits estimates, forecasts, projections or internal targets, or key performance indicators which are based on historical and publicly disclosed data. The Company shall only discuss general trends, events, commitments, and uncertainties that are reasonably expected based on historical and currently known data. All documents containing forward-looking information shall be accompanied by a disclaimer cautioning investors of the risks and uncertainties which may cause actual results and developments to differ materially from those envisaged in the forward-looking information. When making oral representation on forward-looking information, the Authorised Spokesperson shall take reasonable care and include such disclaimer to the same effect.

**17. MISREPRESENTATION OF INFORMATION**

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The Board shall be promptly notified if any person, to whom this CDPP applies, becomes aware of the following:

- (i) misrepresentation or suspected misrepresentation of information publicly disclosed by the Company.
- (ii) there has been or may have been a failure to make timely disclosure of material information; or
- (iii) any alleged breach or violation of the policies and procedures set out in this CDPP.

The Board shall conduct a reasonable investigation of the notified matter and undertake necessary corrective action, with the priority of ensuring prompt disclosure in accordance with the MMLR and this CDPP.

**18. CONTACT DETAILS**

**CAPE EMS BERHAD**  
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**Corporate Matters**

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**19. REVIEW OF THE CDPP**

The Board shall review and assess the relevance and effectiveness of this CDPP from time to time or when changes to regulatory requirements necessitate a revision.

**20. REVISION OF THE CDPP**

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The provisions of this CDPP can be amended and supplemented from time to time by a resolution of the Board.

**-END-**