

SMIS CORPORATION BERHAD
(Company No. 491857-V)

Corporate Disclosure Policies and Procedures

1. Introduction

As a public listed company, SMIS Corporation Berhad (“SMIS” or the “Company”) and its subsidiaries (the “Group”) are committed to provide accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decision by investors. This information is directed to a diverse audience of shareholders, stakeholders and the public generally.

In formulating this policy, the Company has taken into account the recommendations contained in the Malaysian Code on Corporate Governance 2017 and its disclosure obligations contained in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

2. Rationale and Objective

To develop an effective Investor Relations (“IR”) programme and strategy to communicate the Corporate vision, strategies, developments, financial plans and prospects to investors, financial community and other stakeholders fairly and accurately and to obtain feedback from the stakeholders.

This policy also aims to

- Develop and maintain a positive relationship with all the shareholders and stakeholders through active two-way communication;
- Promote and demonstrate a high standard of integrity and transparency through timely, accurate, quality and full disclosure;
- To reinforce SMIS’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 ensuring that all communications to the investing public about the business and affairs of SMIS 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

a. Material information

- i. Material information is any information about the Company and its subsidiaries which is reasonably expected to have a material effect on:-
 - The market price or value of the Company’s securities; or activity in the trading of its securities; or
 - 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.
- ii. The events which may require immediate disclosure are set out in Paragraph 9.04 of the MMLR of Bursa Securities and all amendments thereto from time to time by Bursa Securities and/or other regulators.

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- iii. 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.
- iv. 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 Securities.
The threshold for Related Party Transaction and Recurrent Related Party Transaction are governed by Paragraph 10 of the MMLR of Bursa Securities.
- v. SMIS must immediately announce to Bursa Securities the events set out in Paragraph 9.19 of the MMLR of Bursa Securities and all amendments thereto from time to time by Bursa Securities and/or other regulators.

b. Responsibility to report on significant corporate developments

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

4. IR Structure and Responsibility

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

Spokespersons:

- i) Executive Director and/or CEO
- ii) Financial Controller ("FC")

The Company's CEO and FC have been appointed to communicate with audience constituents and respond to questions in relation to the corporate vision, strategies, developments, future prospects, financial plans and operation matters.

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5. Mode of Disclosure

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

- 5.1. Electronic facilities provided by Bursa Securities;
- 5.2. Press Release;
- 5.3. Corporate website;
- 5.4. Emails;
- 5.5. General Meetings;
- 5.6. 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; and
- 5.7. News conferences, road shows, industry events and investor conferences.

6. IR 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

After the approval from Board of Directors on releasing of material information, on the same day, after the market closure, an announcement is made to the Bursa Securities. The investors in the contact list will be informed verbally or by email and/or a company press release will be issued to all major newspapers after the announcement. If necessary, meetings or presentations for investors and analysts will be conducted.

6.2. Annual General Meeting

The Annual General Meeting is held to communicate with the shareholders on the Company's performance, strategy, outlook and other operational matters. The Board will identify a Senior Independent Non-Executive Director to whom shareholders can convey their concerns and seek clarification from the Board.

6.3. Annual and Quarterly Financial Reports

The quarterly interim financial results are prepared in the format which is in compliance with the MMLR and is published on the Bursa Securities after approval by the Board on the same day.

The Annual Report will be printed and distributed to shareholders and other interested group by either softcopy or hardcopy.

6.4. Participate in Investor Relations Web Portal

Create opportunity for the Company to outreach to potential investors with the creation of an IR web portal. Internet is a power tool to communicate the corporate strategy, developments, updates, performance and other events to audience constituents timely and effectively. The web portal shall incorporate the Company's profile and history, financial information and other information which is of interest to the investors and financial community.

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7. Reports and Rumours

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. However, the Company will not review and comment on the analysts' reports, its conclusions or investments recommendations.

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 may be 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 will issue an announcement to Bursa Securities to deny or clarify the matter, and provide sufficient supporting information in accordance with the MMLR.

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 Company 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.

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

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

9. Obtaining Feedback

The Company has developed various channels (email, IR's contact number or constructive engagements) for shareholders and major stakeholders to provide their comments and feedback in relation to Company's operational, performance, governance and strategic matters.

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

10. Continuing Training Programme

Continuous learning such as attending seminar and training courses will be recommended on an going basis to uplift the competencies and skills of the spokespersons and enable them to keep abreast with the micro and macro changes.

11. Periodic Review and Disclosure

11.1. The Company shall review this policy as and when is necessary and communicate the new changes to all relevant parties.

11.2. The Company shall disclose this policy in its Company's website.

12. Contact Details

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This policy is dated 6 April 2018.