

**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**  
**威雅利電子(集團)有限公司**

**INSIDE INFORMATION POLICY**

**A. PURPOSE**

The purpose of this inside information policy (the “Policy”) is to govern the disclosure of certain information about Willas-Array Electronics (Holdings) Limited (the “Company”, together with its subsidiaries the “Group”) to the public in a timely manner in accordance with applicable laws and regulatory requirements. The board of directors of the Company (the “Board”) has the overall responsibility to ensure compliance of this Policy in accordance with the Guidelines on Disclosure of Inside Information published by the Securities and Futures Commission in June 2012 (the “Guidelines”) and any applicable laws and regulations, including the provisions of the Hong Kong Securities and Futures Ordinance, Chapter 571 (the “SFO”), the Singapore Securities and Futures Act, Chapter 289 (the “SFA”) and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Managing Director has the overall responsibility for the implementation of this Policy. For the avoidance of doubt, this Policy provides only an overview of the disclosure requirements in respect of Inside Information as defined in Section B below, and does not purport to comprehensively cover all disclosure requirements that may apply to the Group under applicable laws and regulations. All the directors, officers and all relevant employees (who is likely to be in possession of the Inside Information) of the Group shall ensure their respective compliance with this Policy and any applicable laws and regulations.

**B. DEFINITION AND CONDITIONS OF INSIDE INFORMATION**

References to Inside Information in this Policy would generally include the following (to the extent applicable):

- (a) under Part XIVA of the SFO (the “Part XIVA”) effective from 1 January 2013, specific information about the Company, its shareholder or officer or its listed securities or derivatives, which is not generally known to the persons who are accustomed, or would be likely, to deal in the Company’s listed securities but would, if generally known to them, be likely to materially affect the price of the Company’ listed securities; and
- (b) Section 203 of the SFA creates a statutory obligation on the Company to not intentionally, recklessly or negligently fail to notify the SGX-ST of, among others, information on specified events or matters that are required under the listing rules of the SGX-ST to be notified to the SGX-ST as they occur. This duty of disclosure extends to the specific disclosure requirements as set out in the Listing Manual of the SGX-ST (the “SGX Listing Manual”) and, in particular, to the general rule under Rule 703(1) of the SGX Listing Manual, which requires immediate announcement on SGXNET of any information known to the

Company concerning the Company or any of its subsidiaries or associated companies<sup>1</sup> which:

- (i) is necessary to avoid the establishment of a false market in the Company's securities; or
- (ii) would be likely to materially affect the price or value of the Company's securities.

As a general rule, where the disclosure requirements of the Stock Exchange of Hong Kong Limited ("HKSE") and the SGX-ST differ, the Company shall comply with the stricter of the two regimes.

As a matter of prudence, if it cannot be ascertained whether the information is Inside Information or if there is any doubt about the availability of the Safe Harbours (as mentioned in Section E below), the information should be released in accordance with the provisions set out in Section C below immediately.

Please refer to paragraph 35 of the Guidelines (Appendix I) and paragraphs 4 and 8 of Appendix 7.1 to the SGX Listing Manual (Appendix II) for non-exhaustive lists of events which may constitute Inside Information.

### **C. ANNOUNCEMENT OF INSIDE INFORMATION**

Unless one of the Safe Harbours (as mentioned in Section E below) applies, the Company must follow the below items to make announcements of Inside Information:

- (a) the Company must disclose any Inside Information to the public immediately once the information has come to its knowledge, or when the information either has or ought reasonably to have come to the knowledge of its Officers in the course of performing their functions;
- (b) the Board shall take reasonable precautions for preserving the confidentiality of Inside Information and the relevant draft announcement (if applicable) before publication; and
- (c) the means of disclosure are through the electronic publication systems operated by the HKSE, SGX-ST and the Company's website. The Company should synchronise the disclosure of Inside Information as closely as possible on HKSE and SGX-ST. Unless the information has been released through the electronic publication systems operated by HKSE and SGX-ST, it cannot be released through other channels (including the Company's website or the press).

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<sup>1</sup> "Associated companies" are defined in the SGX Listing Manual as "a company in which at least 20% but not more than 50% of the shares are held by the listed company or group". In respect of the listing rules of the SGX-ST, please also note that this Policy only focuses on the disclosure requirements under Rule 703 relating to the disclosure of material information (as defined in the SGX Listing Manual), and does not address the other specific disclosure requirements under the SGX Listing Manual (for example, see Rule 704 on the disclosure of specific information in certain prescribed events, Chapter 8 for disclosures relating to Changes in Capital, Chapter 9 for Interested Person Transactions and Chapter 10 for Acquisitions and Realisations).

## **D. DUTIES OF OFFICERS**

Every director, manager or company secretary of, or any other person involved in the management of the Company must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement.

## **E. EXEMPTIONS FROM DISCLOSURE – SAFE HARBOURS**

Safe harbours are situations where disclosure of confidential Inside Information is not required or may be temporarily withheld (the “Safe Harbours”). The Safe Harbours available under Hong Kong SFO and Guidelines, and the SGX Listing Manual are separately set out below:

### Hong Kong SFO and Guidelines

Under Section 307D of SFO and paragraphs 61 to 78 of the Guidelines, Safe Harbours include situations where:

- (a) the disclosure is prohibited under, or would constitute a contravention of a restriction imposed by, an enactment or an order of a court;
- (b) the information is related to incomplete proposal or negotiation;
- (c) the information is a trade secret; or
- (d) the disclosure is waived by the Commission under section 307E(1), and any condition imposed under section 307E(2) in relation to the waiver is complied with.

In order for Safe Harbours (b) and (d) to apply, the Company must take reasonable measures to monitor the confidentiality of the information and the Company must disclose the information in accordance with section 307C as soon as reasonably practicable after the Company becomes aware that the confidentiality of the information has not been preserved.

### SGX Listing Manual

Under Rule 703 and Appendix 7.1 of the SGX Listing Manual, Safe Harbours include situations where:

- (i) the disclosure would be a breach of law<sup>2</sup>; or
- (ii) all of the following conditions apply (and only for as long as they continue to apply):
  - (A) a reasonable person would not expect the information to be disclosed;
  - (B) the information is confidential; and

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<sup>2</sup>Paragraph 3.6 of Appendix 7.1 to the SGX Listing Manual provides that the Company must not agree to a confidentiality clause with any other parties that may result in it being not able to comply with the disclosure rules in the SGX Listing Manual. The Company also cannot rely on reasons such as possible erosion of its competitive or unfavourable impact on its business to avoid complying with the disclosure rules in the SGX Listing Manual.

- (C) any of the following applies:
- (1) the information is related to an incomplete proposal or negotiation;
  - (2) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (3) the information is generated for the internal management purposes of the entity; or
  - (4) the information is a trade secret.

Should any of the above conditions in (ii) cease to be satisfied, the exception to the general disclosure obligation under Rule 703 will cease to be available and the Company must disclose the information immediately<sup>3</sup>.

## **F. DEALING WITH MEDIA SPECULATION, MARKET RUMOURS AND ANALYSTS' REPORTS**

If the Company has Inside Information and relies on a Safe Harbour to withhold disclosure subject to the preservation of confidentiality, the existence of media speculation, market rumours or analysts' reports about the Company might indicate that matters intended to be kept confidential have leaked. In particular, where media speculation, market rumours or analysts' reports are largely accurate and the information underlying the speculation, rumours or reports constitutes Inside Information, it is likely that confidentiality has been lost, thus the Safe Harbour falls away and public disclosure is required. Accurate and extensive rumours and media speculation, even where included in analysts' reports, are unlikely to represent information that is generally known and accordingly disclosure by the Company is necessary.

If the Company does not have Inside Information but media reports or market rumours carry false or untrue information, these reports or rumours should be promptly denied or clarified. The Company should do so by making a formal announcement, rather than making a remark to a single publication or by way of a press release. This will ensure that the whole market is equally and properly informed.

The Company should ensure that no Inside Information is given when answering an analyst's questions or reviewing an analyst's draft report. No shareholder, analyst,

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<sup>3</sup> Please read in full the requirements set out in Appendix 7.1 and Practice Note 7.1 to the SGX Listing Manual. In particular, under paragraph 7 of Appendix 7.1, information should generally not be divulged to any person in a manner that would place such person in a privileged dealing position. Paragraphs 12 to 14 of Appendix 7.1 also provides that the strictest level of confidentiality must be maintained when relying on Safe Harbour (ii), and the Company may wish to consider requiring persons who have access to such information to report any transaction that is effect on its securities. The Company should also keep a close watch over the trading activity of its securities during this period. The SGX-ST does recognise that there may be limited instances where selective disclosure may be necessary (see paragraph 24 of Appendix 7.1). However, such disclosure should be made on a need to know basis and be subject to appropriate confidentiality restraints. Please note that where material information has been reported (for example, in newspapers) but not released via SGXNET, the SGX-ST may seek clarification from the issuer to ensure that the market is trading on accurate information. Where reports suggest that a leakage of inside information may have occurred, the issuer will be contacted by the SGX-ST to discuss whether an announcement is required (see paragraph 3.4 of Practice Note 7.1 for further details).

investor or journalist should receive a selective disclosure of Inside Information, such that he may be placed in a privileged dealing position. It is inappropriate for a question to be answered, or draft report corrected, if doing so involves providing Inside Information. When analysts visit the Company, care should be taken to ensure they do not obtain Inside Information. If Inside Information is inadvertently disclosed, whether at meetings with analysts or otherwise, it must be disseminated as promptly as possible via an announcement on the SGXNET and HKSE.

In some circumstances, the Company does not have Inside Information but an analyst's report may contain errors or misinterpretations by, for example, using out of date data, or misreading or misinterpreting historical information of the Company. The Company should release an announcement to clarify and correct such factual errors in the analyst's assumptions which are significant to the extent that they are inaccurate or may mislead the market or if the share trading price or volume appears to react to the misinformation. If the Company possesses Inside Information which would correct a fundamental misconception in the report, public disclosure of such information would be necessary. Nonetheless, the Company is under no legal obligation to track reports prepared by third parties.

## **G. COMPLIANCE AND REPORTING**

Each of the directors, officers and relevant employees of the Group must promptly bring any Inside Information to the attention of Mr. Alvin Hon, the Managing Director, who will notify Mr. Raymond Leung, the Company Secretary accordingly to take the appropriate prompt action. In the event that there is evidence of any material violation of this policy regarding Inside Information, the Board will decide, or designate appropriate persons to decide on the course of action to rectify the problem and avoid its recurrence.

## **H. RESPONSIBILITY FOR IMPLEMENTATION AND REVIEW OF POLICY**

This policy has been approved and adopted by the Board of the Company. The Company, through the Company Secretary, must review this Policy periodically and be responsible for initiating an update of this Policy as and when required, including but not limited to when the relevant laws and regulations are amended or updated. Any changes to this Policy should be subject to approval by the Board.

*In the case of inconsistency, the English text of this Policy shall prevail over the Chinese text.*

Inside Information Policy

(Adopted by Board written resolution passed on March 27, 2019)

## **APPENDIX I**

(Extract of the Guidelines on Disclosure of Inside Information published by the Securities and Futures Commission in June 2012)

### **Examples of possible inside information concerning the corporation**

35. There are many events and circumstances which may affect the price of the listed securities of a corporation. It is vital for the corporation to make a prompt assessment of the likely impact of these events and circumstances on its share price and decide consciously whether the event or the set of circumstances constitutes inside information that needs to be disclosed. The following are common examples of such events or circumstances where a corporation should consider whether a disclosure obligation arises.

- Changes in performance, or the expectation of the performance, of the business;
- Changes in financial condition, e.g. cashflow crisis, credit crunch;
- Changes in control and control agreements;
- Changes in directors and (if applicable) supervisors;
- Changes in directors' service contracts;
- Changes in auditors or any other information related to the auditors' activity;
- 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;
- Takeovers and mergers (corporations will also need to comply with the Takeovers Codes that include specific disclosure obligations);
- Purchase or disposal of equity interests or other major assets or business operations;
- Formation of a joint venture;
- Restructurings, reorganizations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses;
- 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;

- Changes in value of assets (including advances, loans, debts or other forms of financial assistance);
- Insolvency of relevant debtors;
- Reduction of real properties' values;
- Physical destruction of uninsured goods;
- New licenses, patents, registered trademarks;
- 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;
- Decrease in value of patents or rights or intangible assets due to market innovation;
- Receiving acquisition bids for relevant assets;
- Innovative products or processes;
- Changes in expected earnings or losses;
- Orders received from customers, their cancellation or important changes;
- Withdrawal from or entry into new core business areas;
- Changes in the investment policy;
- Changes in the accounting policy;
- Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy;
- Pledge of the corporation's shares by controlling shareholders; or
- Changes in a matter which was the subject of a previous announcement.

## **APPENDIX II**

(Extracts from Appendix 7.1 (Corporate Disclosure Policy) to the SGX Listing Manual)

For ease of reference, paragraphs 4 and 8 of Appendix 7.1 to the SGX Listing Manual (which set out non-exhaustive lists of events which may constitute Inside Information under the SGX Listing Manual) have been reproduced below. Please also read in full the requirements set out in Appendix 7.1 and Practice Note 7.1 to the SGX Listing Manual.

### **Appendix 7.1 (Corporate Disclosure Policy)**

#### **Part II Issuers' Obligations Under Rule 703**

4. Material information includes information, known to the issuer, concerning the issuer's property, assets, business, financial condition and prospects; mergers and acquisitions; and dealings with employees, suppliers and customers; material contracts or development projects, whether entered into in the ordinary course of business or otherwise; as well as information concerning a significant change in ownership of the issuer's securities owned by insiders, or a change in effective or voting control of the issuer, and any developments that affect materially the present or potential rights or interests of the issuer's shareholders.
  
8. Some Events Requiring Disclosure Under Rule 703

Under Rule 703, the following events, while not comprising a complete list of all the situations which may require disclosure, are likely to require immediate disclosure:—

- (a) A joint venture, merger or acquisition;
- (b) The declaration or omission of dividends or the determination of earnings;
- (c) Firm evidence of significant improvement or deterioration in near-term earnings prospects;
- (d) A subdivision of shares or stock dividends;
- (e) The acquisition or loss of a significant contract;
- (f) The purchase or sale of a significant asset;
- (g) A significant new product or discovery;
- (h) The public or private sale of a significant amount of additional securities of the issuer;
- (i) A change in effective control or a significant change in management;
- (j) A call of securities for redemption;
- (k) The borrowing of a significant amount of funds;
- (l) Occurrence of an event of default under debt or other securities or financing or sale agreements;
- (m) Significant litigation;
- (n) A significant change in capital investment plans. Examples include building of factories, increasing plant and machinery, and increasing production lines;

- (o) A significant dispute or disputes with sub-contractors, customers or suppliers, or with any parties;
- (p) A tender offer for another company's securities; and
- (q) A valuation of the real assets of the group that has a significant impact on the group's financial position and/or performance. A copy of the valuation report must be made available for inspection at the issuer's registered office during normal business hours for 3 months from the date of the announcement.