



FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

POLICY ON DISCLOSURE OF INSIDE INFORMATION

A. Purpose

The purpose of the Policy on Disclosure of Inside Information ("**Policy**") is to provide guiding principles, practices and procedures to assist employees and officers of the Company and its subsidiaries ("**Group**") in (a) relaying inside information as defined in Section B below ("**Inside Information**") to the Board of Directors of the Company ("**Board**") to enable it to make timely decisions on disclosure, if necessary; and (b) communicating with the Group's stakeholders, in ways which are in compliance with the Securities and Futures Ordinance ("**SFO**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), and best practices.

B. Requirements under the SFO and Listing Rules

1. Under Part XIVA of the SFO, the Company must as soon as reasonably practicable after any Inside Information has come to its knowledge, disclose the information to the public. If the Company breaches a disclosure requirement, each of its officers could be held personally responsible if his/her intentional, reckless or negligent conduct has led to the breach, or if he/she failed to take all reasonable measures to prevent such a breach.
2. Section 307A(1) of the SFO states that "Inside Information" is specific information:
 - a. about the Company (this can include information relating to any Group company), its shareholder or officer, or its 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 Company's listed securities but would, if generally known to them be likely to materially affect the price of the listed securities.
3. As far as the Company is concerned, Inside Information refers to any specific information about the Group including, without limitation, information relating to any changes in the Company's directors, auditors and senior executives and any changes in the Group's corporate structure, capital structure, financial results, business and

operations, and as well as any substantial legal disputes and corporate actions of the Group, that is not generally known to that segment of the market which deals or which would likely deal in the Company's securities, and such information would, if so known, be likely to have a material effect of the Company's share price.

4. The SFO provides the following safe harbours under which the Company is not required publicly to disclose otherwise discloseable Inside Information:
 - a. if the disclosure is prohibited under, or would constitute a breach of a court order or an enactment;
 - b. if the information concerns an incomplete proposal or negotiation;
 - c. if the information is a trade secret;
 - d. if the information relates to the provision of liquidity support from the Exchange Fund, or an institution which performs the functions of a central bank to the Company/its group companies; or
 - e. if a specific waiver is granted by the Securities and Futures Commission ("SFC") as it is satisfied that the disclosure would contravene foreign legislation or a foreign court order or a restriction imposed by a foreign law enforcement agency or a foreign government authority.

However, safe harbours (b) to (e) above are available only if the Company has taken reasonable precautions to preserve the confidentiality of the Inside Information and confidentiality is in fact preserved.

5. Any breach of the statutory disclosure obligation would expose the Company and/or its officer(s) to the risk of civil sanctions, including, in the case of the Company, its directors or chief executive, regulatory fines not exceeding HK\$8 million in respect of each person in breach of the statutory disclosure obligation.
6. The Listing Rules require that the Company and its directors must maintain strict confidentiality of Inside Information until it is announced, and must ensure that the strictest security of the information is observed within the Company and its advisers. Where the Company is required to disclose Inside Information under the SFO, it must also simultaneously announce the information in accordance with the Listing Rules, failing which the Company must, as soon as reasonably practicable, apply for a trading halt.
7. Trade secret referred to in B.4.c above must be proprietary information or rights owned by a company, such as inventions, manufacturing processes or customer lists. Commercial terms and conditions of an agreement or financial information of a company are not trade secret.

C. **Reporting and Dissemination of Material Information**

1. The Board is responsible for approving the Policy, and any revision thereof. The Board decides whether or not a transaction, development or event constitutes

Inside Information and disclosure of which shall be made immediately, and when a trading halt is required. Chairman of the Board shall be the authorised spokesperson for the Board and the Company unless resolved otherwise by the Board.

2. The Group has established the Inside Information Team to identify, assess and escalate potentially inside information to the attention of the Board. The Inside Information Team comprises of the Chief Financial Officer and the Company Secretary of the Company, or any of their delegates during their absence.

Regular reports to the Board

3. Regular reports are prepared by employees for a variety of functional reasons, which help identify material information. The regular reports include-
 - a. regular management reports provided by the Company's Divisions/Departments and operating subsidiaries to the Board, which include updates and analyses of the ongoing development and performance of the projects and initiatives being undertaken; and
 - b. monthly management accounts provided to the Board upon request, which include variance analyses of the Group's financial and operational performance against the budget and the results of the corresponding period of the preceding year.

Reporting channels

4. An employee who becomes aware of a matter, development or event that he/she considers to be material or Inside Information shall report it promptly in writing to his/her Division/Department Head who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report it to the Inside Information Team.
5. Upon being notified, the Inside Information Team shall assess the materiality of the relevant information, determine the appropriate course of actions and, if considered appropriate, consult the Chairman who may convene a Board meeting to consider and decide whether or not the information constitutes Inside Information and disclosure of which shall be made immediately.
6. When considering a disclosure, the Board shall decide on the scope of information to be released and the timing of the release.
7. A record of the meeting and discussions of Board and/or Inside Information Team concerning the assessment of the information shall be kept.

Delay in disclosure

If the matter is being developed, such as, when negotiations are at a stage that makes it impossible to be more forthcoming, and more precise details could only be released at a later stage, the Board might decide issuing a "holding" announcement or simply issuing a "no comment" statement. Directors may seek independent professional advice, if and when appropriate,

to ensure that the Company can timely comply with the disclosure requirements. The reasons for delaying disclosure shall be recorded.

Disclosure by way of an announcement

8. Inside Information and other information which is required to be disclosed pursuant to the Company's statutory disclosure obligations will be announced via the electronic publication system operated by the Stock Exchange before any press releases regarding the matter is published on the Group's website.
9. Inside Information to be disclosed must be accurate and complete in all material aspects and not be misleading or deceptive. The Board must take reasonable steps to verify the accuracy and completeness of the relevant information before it is publicly disclosed.
10. Heads of the relevant Divisions/Departments that identified and handled the Inside Information shall provide the Board with the precise details to enable them to prepare the related announcement or press release, if necessary, and confirm the accuracy and completeness of the information before it is publicly disclosed.
11. If an announcement of any Group company listed on an overseas exchange contains Inside Information in relation to the Company, the Inside Information must be announced in both English and Chinese by the Company in Hong Kong. Heads of the relevant Group company should ensure that sufficient time is given to the Corporate Secretarial Department to arrange for translation.

Delegation of authority to the Inside Information Team

12. There may be circumstances that the Company is facing an unexpected and significant event, such as, unusual price and/or trading movements in the Company's securities, or market rumour which requires immediate clarification in order to avoid development of a false market in its securities, or inadvertent dissemination of Inside Information. The Inside Information Team is empowered to take appropriate actions to ensure compliance with the disclosure requirements, including but not limited to issuing a "clarification" or "holding" announcement, and making a request to the SFC for a trading halt pending publication of an announcement.

D. Maintaining Confidentiality and Dealing Restrictions

1. All officers of the Group must take reasonable care to safeguard the confidentiality of all Inside Information in their possession or control. Access to Inside Information shall be restricted, as far as practicable, to the highest level of management and on a need-to-know basis. The responsible senior executive shall (a) maintain a list of personnel who have access to the withheld Inside Information; and (b) closely monitor and regularly report to the Inside Information Team on the development or progress of the relevant matter. The Inside Information Team shall, before the Inside Information is disclosed, closely monitor the activity of the Company's securities, and prepare a "holding" announcement to be released when there is growing rumour of the undisclosed information.

2. All officers of the Group who possesses unpublished Inside Information must:
 - a. refrain from discussing that information with, or divulging that information to, any persons who are not authorised by the Board to receive that information; and
 - b. ensure that any documents or other written material in his/her possession in relation to that information are properly and securely stored and are not disclosed to any unauthorised persons.
3. Officers of the Group must not deal in the Company's securities when they are in possession of unpublished Inside Information. Details of dealing restrictions imposed on directors are set out in the Company's Modal Code for Securities Transactions by Directors.
4. Any external parties who may become privy to unpublished Inside Information shall be informed that they must not divulge such information to any unauthorised persons, other than in the normal course of business, without the Company's prior written consent. Unless an obligation of confidentiality is implicit in the relationship with an external party, such parties who have access to unpublished Inside Information shall (a) confirm their commitment to non-disclosure of the received information in the form of a written confidentiality agreement or in a standard clause within the contract signed with any entities within the Group; (b) undertake not to deal in the Company's securities whilst they are in possession of the unpublished Inside Information until such information has been publicly disclosed; and (c) provide the relevant Group company with a list of its personnel who, during the normal course of business, have access to the Inside Information.

E. Trading Halt

The Board may, if and when appropriate, apply for a trading halt in order to maintain fair trading in the Company's securities and to manage any disclosure issues before the Inside Information is publicly disclosed.

F. Communication Guidelines

1. Selective disclosure of Inside Information before such information is publicly released must be avoided.
2. As a general principle, authorised spokespersons shall only explain information already in the public domain or discuss in general the markets in which the Group operates, and shall avoid giving answers which individually or cumulatively may provide unpublished Inside Information to the receiving party.
3. To reduce the risks of providing unpublished Inside Information in meetings/briefings with the media/analysts/investors, the following procedures shall be closely observed:
 - a. authorised spokespersons shall seek clarification from the relevant parties, such as the Head of the relevant Division/Department and subsidiaries, should there be any uncertainty to the extent and nature of information that they can disclose

before attending an external interview or briefing in order to avoid any inadvertent disclosure of unpublished or potential Inside Information;

- b. discussions of the Group's financial performance in an external interview or briefing shall be recorded and kept for a reasonable period so that a reliable source of information is available in case of misreporting or when further clarification of information is needed; and
 - c. no interviews or briefings to discuss the financial performance of the Group shall be conducted during "black out" periods.
 - d. the Company's comments on analysts' reports shall be limited to information that has been disclosed publicly and correction to factual errors or assumptions with reference to publicly available information.
4. As a guiding principle, the Company shall give a "no comment" response to market speculation and rumours. The Company may issue a "clarification" announcement to:
- a. correct significant errors that have been circulating publicly, which leads to a widespread and serious misapprehension in the market; or
 - b. respond to a formal request for clarification from the SFC or the Stock Exchange.

G. Inadvertent Dissemination of Inside Information

- 1. In the case of an inadvertent disclosure of Inside Information by any officers, the incident must be reported immediately to the Inside Information Team. The Inside Information Team shall, under its delegated authority, apply for a trading halt until an announcement of the Inside Information has been published. The Inside Information Team shall inform every director of the Company of the incident and issue an announcement of the Inside Information as soon as practicable.

H. Review of the Policy and Queries

- 1. The Policy shall be reviewed periodically by the Board who will make recommendations on amendments thereto, if necessary.
- 2. The Policy will be made available on the intranet and website of the Company.
- 3. If, at any time, directors or employees of the Group have any queries regarding their reporting obligations, they shall contact the Company Secretary immediately.

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