



# 嘉里建設有限公司

KERRY PROPERTIES LIMITED

*(Incorporated in Bermuda with limited liability)*

## **Policy on Inside Information Disclosure and Insider Dealing**

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### **1. Policy Statement**

- 1.1 This Policy on Inside Information Disclosure and Insider Dealing (the “**Policy**”) sets out the requirements of Kerry Properties Limited (the “**Company**”) for monitoring handling and using Inside Information (as defined below) to ensure compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Exchange**”) (the “**Listing Rules**”) and the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “**SFO**”).
- 1.2 The Policy aims to provide guidelines on Inside Information Disclosure to the directors, officers and all relevant employees of the Company and its subsidiaries to ensure Inside Information of the Company is to be disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations and to provide guidelines on handling such Inside Information so as to prevent any Insider Dealing.
- 1.3 The Policy applies to all directors, officers and all relevant employees of the Company and its subsidiaries who shall also observe any additional local and/or business unit policies, rules, regulations, requirements, and guidelines to which they may be subject from time to time.
- 1.4 Non-compliance with this Policy may give rise to disciplinary action and, where applicable, result in termination of employment and/or personal civil or criminal sanctions including fines or imprisonment.

### **2. Definition of Inside Information**

- 2.1 “Inside Information” is specific information that is:
  - (a) about:
    - (i) the Company;
    - (ii) a shareholder or an officer of the Company; or
    - (iii) the listed securities of the Company or its derivatives; and

- (b) not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the Company but would, if generally known to them be likely to materially affect the share price of the Company (whether positively or negatively).
- 2.2 There are three key elements comprised in the concept of inside information:
- (a) the information about the Company, its shareholder, officer or securities must be **specific**;
  - (b) the **information must not be generally known** to that segment of the market which deals or which would be likely to deal in the Company's securities; and
  - (c) the information would, if so known be **likely to have a material effect on the price of the Company's securities**.
- 2.3 Such information may include, without limitation, projected earnings/ losses, contemplated acquisition, disposal or fund-raising exercise, key personnel changes or the entering into or termination of an important contract. Examples of possible inside information as shown in the guidelines of the Part XIVA of the SFO are set out in the attached Appendix.

### 3. Identification of Inside Information

- 3.1 The heads of each business or geographical unit shall constantly monitor business and corporate developments so as to promptly identify, assess and escalate potential Inside Information to the Chief Financial Officer (“**CFO**”) and/or the Company Secretary (the “**Company Secretary**”) of the Company who shall determine whether the potential Inside Information should be presented to the board of directors of the Company (the “**Board**”) to decide about the need for disclosure.
- 3.2 When presented with potential Inside Information, the Board should make a determination taking into account the considerations set out in paragraph 2.2 above.
- 3.3 In case of doubt as to whether a piece of information is Inside Information or needs to be disclosed, such information can be passed to a director of the Company (a “**Director**”), the CFO and/or the Company Secretary for review and advice. The Director, the CFO and/or the Company Secretary may seek further advice from legal and/or financial adviser in relation to such information.
- 3.4 A written record of the discussion and the reasons of reaching the conclusion on whether the information should/should not be considered as Inside Information shall be kept.

#### 4. Prohibition on Insider Dealing

- 4.1 It is illegal for any person to deal, counsel or procure directly or indirectly another person to deal in any of the Company's securities whilst in possession of Inside Information, or to disclose such information to another person who may make use of such information for the purpose of dealing in such securities, in circumstances which constitute "**Insider Dealing**" under the applicable laws or regulations.
- 4.2 A director or an employee will be regarded as having engaged in "**dealing**" in the Company's securities if he/she sells, purchases, exchanges, subscribes for or underwrites the Company's securities and/or its derivatives, whether as principal or agent, makes or offers to make an agreement with another person, or induces or attempts to induce another person to do the same. The term "**securities**" is broadly defined to include shares, debentures, bonds, notes, options, rights, interests, certificates of interest or participation in certificates, or property whether in the form of an instrument or otherwise. The definition of "**derivatives**" of the Company's securities is also very wide and includes rights, options, interests, instruments or certificates of interest or participation in such securities; contracts for securing, increasing profit or avoiding loss related to them; and warrants to subscribe for them.
- 4.3 A director or an employee may come into possession of Inside Information in relation to other listed companies as a result of their position or employment with the Group or from other sources, and dealing in the securities of those companies will also be regarded as "**Insider Dealing**".
- 4.4 Violation of the applicable laws or regulations may result in personal civil or criminal sanctions including fines or imprisonment. All directors and employees must therefore conduct themselves in compliance with all applicable Insider Dealing (or its equivalent) laws, rules, codes and regulations wherever the Group conducts business.
- 4.5 Directors and employees should take into account all the circumstances in determining whether a piece of information may constitute Inside Information. If they are in doubt whether the information would potentially constitute Inside Information in the context of Insider Dealing, they should take a prudent approach and treat the information as Inside Information and refrain from any activities which may constitute Insider Dealing.

## 5. Policy for Announcement of Inside Information and Preservation of Confidentiality and Internal Controls

- 5.1 Inside Information shall be announced as soon as reasonably practicable after it becomes known to the Board unless the information falls within any of the “Safe Harbours” provisions under the SFO.
- 5.2 In cases where a decision by the Board is pending or in cases of incomplete negotiations, the Company shall implement the following procedures to maintain the confidentiality of the relevant information:
- (a) **Using codenames** – using codenames in correspondence and/or password protected documents attached to e-mails;
  - (b) **“Need to know” basis** – restricting access to the information to a limited number of parties on need-to-know basis;
  - (c) **Disclosure to external parties** – ensuring written confidentiality agreements with external parties are in place;
  - (d) **Maintain confidentiality** – reminding parties involved of the need to keep all such information strictly confidential;
  - (e) **Audit trail** – a clear record documenting the distribution of the information including the identity of the recipients and the time of dispatch should be kept. Appropriate notes and records should be kept for meetings concerning the assessment of whether certain information constitutes Inside Information; and
  - (f) **Meeting with securities analysts and press** – selective disclosure of Inside Information before such information is publicly disclosed must be avoided. Directors and employees of the Group should be wary of any possible disclosure of unpublished Inside Information about the Group when meeting with fund managers, securities analysts and the press.
- 5.3 Until an announcement is made, the Directors and the management of the Company (the “**Management**”) should ensure that such information is kept strictly confidential. If the confidentiality cannot be maintained, an announcement shall be made as soon as practicable.

## **6. Policy for Handling Inside Information arising from Notifiable Transactions**

- 6.1 Business teams of the Company shall keep Inside Information on transactions confidential. If there is a leak of such information, they shall inform the Directors, the CFO and/or the Company Secretary immediately so that remedial actions, including making an Inside Information announcement, can be taken at the earliest opportunity.
- 6.2 Group Finance Department of the Company shall keep track of the threshold levels for disclosure of the Company pursuant to the size tests under the Listing Rules, so that an announcement can be made as soon as practicable should a disclosable notifiable transaction arise.

## **7. Policy for Responding to Exchange's Enquiries**

- 7.1 The Company Secretary upon receiving enquiries from the Exchange concerning Inside Information and/or unusual movements in the price or trading volume of the securities of the Company shall immediately report the matter to the relevant executive director of the Company (the "**Executive Director**") and the CFO.
- 7.2 After consultation with the Executive Director and the CFO, the Company Secretary shall promptly give a reply to the Exchange. When there is a growing rumour of the undisclosed information, a "holding announcement" or a clarification announcement will be issued by the Company if requested by the Exchange or if the Board considers appropriate.

## **8. Policy for Dissemination of Inside Information to External Parties**

### **8.1 Shareholders**

Final results announcement based on the audited financial statements of the Company are published within three months after the end of the financial year. Interim results announcement based on the interim financial statements of the Company are published within two months after the end of the half-year period. Inside Information shall be announced promptly through the websites of the Exchange and the Company.

## 8.2 Analysts

- (a) A briefing session on the performance and results of the Company is organised for analysts in the afternoon on the same day after the interim/final results have been announced. Presentation materials shall be reviewed by Chief Executive Officer, CFO and/or the Company Secretary and Head of Investor Relations Department of the Company in advance before they are released at the briefing session.
- (b) All investors and/or analysts enquiries shall be referred to the Investor Relations Department of the Company for centralised handling.
- (c) The Investor Relations Department of the Company shall review the research reports published by the banks. For matters that require Management attention, a synopsis will be circulated to the Management. Under ordinary circumstances, the Company would not comment on an analyst's financial projection or opinion.

## 8.3 Media

- (a) A briefing session on the performance and results of the Company is organised for the media in the afternoon on the same day after the interim/final results have been announced. Presentation materials shall be reviewed by Chief Executive Officer, CFO and/or the Company Secretary and Head of Sustainability and Communications Department of the Company in advance before they are released at the press briefing session.
- (b) To manage dissemination of information about significant issues of the Company, a press release will be issued to all media and also be posted on the website of the Company. All media enquiries will be referred to the Corporate Communication Department of the Company for centralised handling. When confronted with questions by journalists about rumours circulating in the market, the Company would not comment on unannounced Inside Information.
- (c) News reports related to and of interest to the Company are provided to Management on a daily basis.

## 8.4 Other Stakeholders

Information released by industry regulators, government departments and other bodies may affect the share price of the Company. If such information is expected to have a significant impact on the Company, an announcement may be made by the Company providing the view of the Company on the impact of the relevant information.

## 8.5 Dissemination of Information

The electronic publication system of the Exchange shall be the first channel of dissemination of information of the Company before any other channel.

## 9. **Policy for Black-out Period imposed on Insider**

- 9.1 Directors are prohibited from dealing in securities of the Company during a period of 30 days immediately preceding the announcement of its interim results and a period of 60 days immediately preceding the announcement of its final results (the “**Black-out Period**”). The Company Secretary shall remind the Directors in advance of their obligations during the Black-out Period under the Model Code in the Listing Rules.
- 9.2 As an absolute prohibition, Directors should refrain from dealing in securities of the Company at any time when they are in possession of unpublished Inside Information in relation to the Company. Such prohibition applies equally to employees of the Company (“**Employees**”) who possess unpublished Inside Information of the Company.
- 9.3 The Company Secretary maintains a list of persons (the “**Insider List**”) who may have access to the Inside Information. The Company Secretary will also send a reminder to those on the Insider List reminding them of their obligations during the Black-out Period. The Insider List is maintained and updated by the Company Secretary from time to time.

## 10. **Policy on Employees’ Obligations in relation to Inside Information**

- 10.1 Employees should not disseminate data on the affairs of the Company, other than that published officially by the Company, either verbally or by way of documentation. Unless duly authorised, Employees should not make any comments or statements to the press or media.
- 10.2 Employees should lock away all confidential papers before leaving the office at lunch time or after work. Employees should make sure that all electronic copies of confidential files are protected by password and lock their computers before leaving the office. Employees should also check that all filing cabinets containing confidential materials are locked. Confidential papers which are no longer required must be shredded and should not be discarded in wastepaper baskets.
- 10.3 10.1 and 10.2 above are included in the Employees Handbook of the Company.

## **11. Policy on Inside Information identified from Monthly Financial Information**

11.1 The Company has established monthly financial reporting procedures so that key financial and operating data are identified and assessed in a structured and timely manner for determining if they constitute Inside Information. In accordance with the Listing Rules, the Company is required to send a monthly report to each Director. This provides a channel for the Directors to identify possible Inside Information and determine necessary actions to be taken.

## **12. Exemption from and Waiver to the Disclosure of Inside Information**

12.1 The SFO provides for “Safe Harbours” which permit withholding of disclosure of Inside Information under the following circumstances:-

- (a) the disclosure is prohibited or restricted by an enactment or a court order;
- (b) the information concerns an incomplete proposal or negotiation;
- (c) the information concerned is a trade secret; and
- (d) the information concerns the provision of liquidity support from the Government’s Exchange Fund or a central bank.

## **13. Review of this Policy**

13.1 The Audit and Corporate Governance Committee is responsible for the monitoring and regular review of this Policy to ensure its relevance and effectiveness. Any subsequent amendment of this Policy shall be reviewed by the Audit and Corporate Governance Committee and approved by the Board.

(Reviewed and approved on 21 August 2024)



**Examples of possible Inside Information**

The following are common examples of events and circumstances as suggested by the Securities and Futures Commission in its Guidelines on Disclosure of Inside Information issued in June 2012:

1. Changes in performance, or the expectation of the performance, of the business.
2. Changes in financial condition, e.g. cashflow crisis, credit crunch.
3. Changes in control and control agreements.
4. Changes in directors.
5. Changes in directors' service contracts.
6. Changes in auditors or any other information related to the auditors' activity.
7. Changes in the share capital, e.g. new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction.
8. Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities.
9. Takeovers and mergers.
10. Purchase or disposal of equity interests or other major assets or business operations.
11. Formation of a joint venture.
12. Restructurings, reorganisations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses.
13. Decisions concerning buy-back programmes or transactions in other listed financial instruments.
14. Changes to the memorandum and articles (or equivalent constitutional documents).
15. Filing of winding up petitions, the issuing of winding up orders or the appointment of provisional receivers or liquidators.
16. Legal disputes and proceedings.
17. Revocation or cancellation of credit lines by one or more banks.

18. Changes in value of assets (including advances, loans, debts or other forms of financial assistance).
19. Insolvency of relevant debtors.
20. Reduction of real properties' values.
21. Physical destruction of uninsured goods.
22. New licenses, patents, registered trademarks.
23. 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.
24. Decrease in value of patents or rights or intangible assets due to market innovation.
25. Receiving acquisition bids for relevant assets.
26. Innovative products or processes.
27. Changes in expected earnings or losses.
28. Orders received from customers, their cancellation or important changes.
29. Withdrawal from or entry into new core business areas.
30. Changes in the investment policy.
31. Changes in the accounting policy.
32. Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy.
33. Pledge of the corporation's shares by controlling shareholders.
34. Changes in a matter which was the subject of a previous announcement.

The above events and circumstances are not conclusive and exhaustive.