

---

**CK Life Sciences Int'l., (Holdings) Inc.**  
**Policy on Handling of Confidential Information,**  
**Information Disclosure, and Securities Dealing**

---

July 2020 Edition

## **Table of Contents**

1. Introduction
  2. Handling of Confidential Information
    - 2.1 Obligations of the Company and Directors
    - 2.2 Handling of Confidential Information by Employees
  3. Information Disclosure
    - 3.1 Key Disclosure Obligations
    - 3.2 Procedures and Controls for Monitoring Information Disclosure
    - 3.3 Press Release
  4. Handling of Inside Information and Discloseable Information
    - 4.1 Inside Information and Insider Dealing
    - 4.2 Internal Controls
  5. Securities Dealing
  6. Changes to this Policy
- Appendix A: Examples of Possible Inside Information
- Appendix B: Safe Harbours
- Appendix C: Flow Chart of Information Disclosure

## **1. Introduction**

The Group's reputation, integrity and honesty are of the highest priority and you are required to observe both the form and the spirit of the rules contained in this Policy and to conduct yourself appropriately in order to maintain the good reputation of the Group.

This Policy applies to all Directors and employees (in particular Key Personnel) of the Group 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.

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.

If any Director or employee has questions regarding the contents of this Policy, please feel free to contact the Company Secretarial Department for clarification.

## **2. Handling of Confidential Information**

### **2.1 Obligations of the Company and Directors**

The Company and the Directors are obliged to observe and comply with the continuing obligations in respect of information disclosure and securities dealings under the Securities and Futures Ordinance ("SFO"), Listing Rules and other applicable laws and regulations. It is the responsibility of all Directors to maintain strict confidentiality over any confidential information relating to the Company and its affairs.

Both Executive Directors and Non-executive Directors (including Independent Non-executive Directors) should exercise due care, skill and diligence to fulfil their roles and obligations and should ensure that proper safeguards exist to prevent a breach of the continuing obligations.

### **2.2 Handling of Confidential Information by Employees**

Employees must not use or disclose any confidential information in your possession, except in the proper discharge of your duties or with management's necessary prior approval or authorisation.

In particular, any dealing by employees in securities, wherever listed, of any company within the Group (including but not limited to CKLS, any of its subsidiaries and associated companies) or their derivatives (together the “**CKLS Listed Group Company Securities**”) whilst in possession of confidential information is considered a material breach of this Policy and is absolutely prohibited.

Employees are also absolutely prohibited from dealing in the securities of any other listed company when, by virtue of your position in the Group, you possess inside information in relation to that company and/or those securities.

In addition to this Policy, employees must comply with the general rules relating to code of conduct and confidential information set out in CKLS Human Resources Manual (Clauses 5 and 6), the Information Protection Policy, CKLS’ Model Code for Securities Transactions by Directors and any additional local policies, rules, regulations, requirements and guidelines which may be issued by the Group from time to time.

Employees in possession of confidential information which constitutes “**Inside Information**” are subject to more stringent requirements set out in **Part 4** below.

### **3. Information Disclosure**

#### **3.1 Key Disclosure Obligations**

##### **3.1.1 Disclosure Obligations under Part XIVA of SFO**

The Company is obliged to disclose any “**Inside Information**” to the public as soon as reasonably practicable once the information has come to its knowledge, unless one of the prescribed “**Safe Harbours**” (as set out in **Appendix B**) and the required conditions apply.

“**Inside Information**” means specific information that:

- (a) is about the Company, the Company’s shareholder or officer (including the Directors and Key Personnel), or the Company’s listed securities or their derivatives; and
- (b) is not generally known to those 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.

The Company and its Directors must in consultation with the Company Secretary make a prompt assessment as to whether a matter, transaction or event constitutes Inside Information for the Group in the context of the Group's business, operations and financial position as a whole which needs to be disclosed.

A single matter, transaction or event affecting the Group which, by itself, may not be material (and therefore might not constitute Inside Information) could, when seen together with several other matters, transactions or events affecting the Group, constitute Inside Information. All relevant facts and circumstances must be taken into account in assessing whether or not there is Inside Information which needs to be disclosed by the Company.

Breach of the Inside Information disclosure obligations might lead to civil sanctions for the Company and/or its Directors and Key Personnel concerned, as well as liability to compensate those who have suffered pecuniary losses as a result of the breach.

### **3.1.2 Disclosure Obligations under the Listing Rules**

The Company is obliged to disclose, as soon as reasonably practicable, information necessary to avoid a false market in its securities and to disclose any further information pursuant to the Listing Rules and/or required by the Hong Kong Stock Exchange from time to time.

### **3.2 Procedures and Controls for Monitoring Information Disclosure**

Directors, Heads of different Departments, all Key Personnel and relevant employees should understand this Policy and the importance of timely and accurate disclosure of Inside Information or any information subject to disclosure ("**Discloseable Information**").

When it comes to the knowledge of any of the Directors, Heads of different Departments, Key Personnel and relevant employees of the occurrence and development of any proposal, transaction or event that might constitute Inside Information or Discloseable Information, they shall promptly provide adequate and sufficient details to the Company Secretarial Department for assessment. Examples of Possible Inside Information are set out in **Appendix A**.

The Company Secretarial Department shall as appropriate report to and consult the Chairman or Chief Executive Officer or the responsible Director for review and assessment of the likely impact of such proposal, transaction or event and ascertain whether such proposal, transaction or event constitutes Inside Information or Discloseable Information.

Adequate and sufficient details and where applicable, draft announcement, shall also be escalated to the Board as a whole and update on progress shall be made as appropriate.

Unless and until the Inside Information or Discloseable Information is announced, strict confidentiality of the information must be maintained by all responsible parties. In adhering to this, all responsible parties must observe and follow the rules and practices in respect of handling confidential information and internal controls set out in this Policy.

A Flow Chart of Information Disclosure is set out in **Appendix C**.

### **3.3 Press Releases**

In the case where potential Inside Information is to be released via channels other than the electronic publication system operated by the Hong Kong Stock Exchange, such as the press, wire services or posting on the CKLS' website, such information should be vetted by the Company Secretarial Department prior to the release.

Care should be taken in relation to information proposed to be disclosed in press releases, to determine whether or not it may contain Possible Inside Information. The Company Secretarial Department should be informed and consulted about each proposed press release or any other business release to be published, in good time before publication, so that consideration can be given as to whether the Company should publish an announcement in addition to or in lieu of such press release or other publication.

## **4. Handling of Inside Information and Discloseable Information**

### **4.1 Inside Information and Insider Dealing**

It is illegal for any Director or employee to deal, counsel or procure another person to deal, in any CKLS Listed Group Company 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.

A Director or an employee will be regarded as having engaged in “dealing” in the CKLS Listed Group Company Securities if s/he sells, purchases, exchanges, subscribes for or underwrites the relevant listed securities and/or their 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 any listed securities is also very wide and includes rights, options or interests in, contracts for securing, increasing profit or avoiding loss, instruments or certificates of interest or participation in, warrants to subscribe for, such listed securities.

Inside Information for the purpose of this Policy may come into your possession as a result of your appointment by or employment with the Group, or from other sources, and can concern the Group or any company with which the Group may or may not have any connection.

Violation of the applicable laws may result in personal civil or criminal sanctions including fines and/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.

You should take into account all the circumstances in determining whether a piece of information may constitute Inside Information. If you are in doubt whether the information would potentially constitute Inside Information, in these circumstances, you should take a prudent approach and treat the information as Inside Information and refrain from any activities which may constitute insider dealing.

## **4.2 Internal Controls**

Preventing unpublished Inside Information or Discloseable Information from leakage is key to preventing insider dealing.

Whilst Directors and employees are bound by the Information Protection Policy, additional precautions, including those set out below, should be taken by Directors and employees in possession of unpublished Inside Information or Discloseable Information in relation to the Group to guard against any possible mishandling of such information which may constitute insider dealing:

1. **Identification by a code** – a project or transaction should be identified by a code name with the names of the concerned parties also code named before public announcement;
2. **“Need to know” basis** – dissemination of information should be absolutely limited to the core members within the Group who are responsible for or involved with the project and the professional advisers who advise on the project. Where possible, documents should be password protected;
3. **Disclosure to external parties** – Group companies/entities should promptly enter into a written confidentiality agreement (“**NDA**”) with external parties prior to provision of any confidential information to such external parties. Such NDAs should be provided to the Company Secretarial Department for proper record-keeping;
4. **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. Notes and records should be kept for any discussions or meetings concerning the assessment of whether certain information constitutes Inside Information;
5. **Designated Spokespersons** – only CKLS Directors and designated executives may act as spokespersons. No one can speak to the media on behalf of the Group unless authorised (please refer to the Company’s Media and Public Engagement Policy);
6. **Meetings with investors, securities analysts and the press** – Directors and employees of the Group should be wary of any possible disclosure of unpublished Inside Information or Discloseable Information about the Group when meeting with investors, fund managers, securities analysts and the press. Any material which may contain potential Inside Information should be vetted by the Company Secretarial Department prior to the release at the investors’, analysts’ or press meetings. Briefings and discussions at such meetings should be properly recorded. If any Inside Information has been inadvertently disclosed at any meeting, the Company Secretary should be consulted immediately;



7. **Market rumours, leaks and inadvertent disclosures** – should an employee become aware of any Inside Information concerning (i) an incomplete proposal or negotiation conducted by the Group underlying any media speculation, market rumours or analysts' reports which is specific and credible; or (ii) the Company's unpublished financial or material information set out in any analysts' reports, financial journals or media reports, etc., the Company Secretarial Department should be consulted immediately; and
8. **No selective disclosure of Inside Information** – before an announcement of Inside Information has been published on the electronic publication system operated by the Hong Kong Stock Exchange, all Directors and employees must ensure that there is no selective disclosure of Inside Information for whatever reason.

Employees should be alert and vigilant with respect to any insider dealing committed or suspected to have been committed within the office or in relation to any CKLS Listed Group Company Securities and should report, on a confidential basis, to the Chief Executive Officer and/or the Chief Investment Officer and/or the Company Secretary if they become aware of any such insider dealing or suspected insider dealing or any leakage of unpublished Inside Information in relation to any CKLS Listed Group Company Securities.

## 5. **Securities Dealing**

Whilst all Directors and employees are absolutely prohibited at all times from dealing in any CKLS Listed Group Company Securities when they are in possession of unpublished Inside Information or confidential information, Directors and relevant employees are subject to such specific additional compliance requirements as are communicated to them individually from time to time (including but not limited to prohibition on dealing of such securities during the "blackout period" preceding the publication of the interim or annual results of the Company or obtaining written pre-clearance from designated members of management prior to any dealing in any such securities is allowed).

## 6. **Changes to this Policy**

Any one Director or the Company Secretary may update this Policy as appropriate from time to time to take into account any changes in applicable laws and regulations and the circumstances applicable to the Group.

### **Appendix A: Examples of Possible Inside Information**

Examples of possible Inside Information concerning a listed corporation:

- 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;
- 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 securities, 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;
- Changes in a matter which was the subject of a previous announcement; or
- Changes in general external developments (e.g. laws and regulations, foreign currency rates, market price of commodities, changes in a taxation regime or tax rates) which have or could have a material impact on the Group.

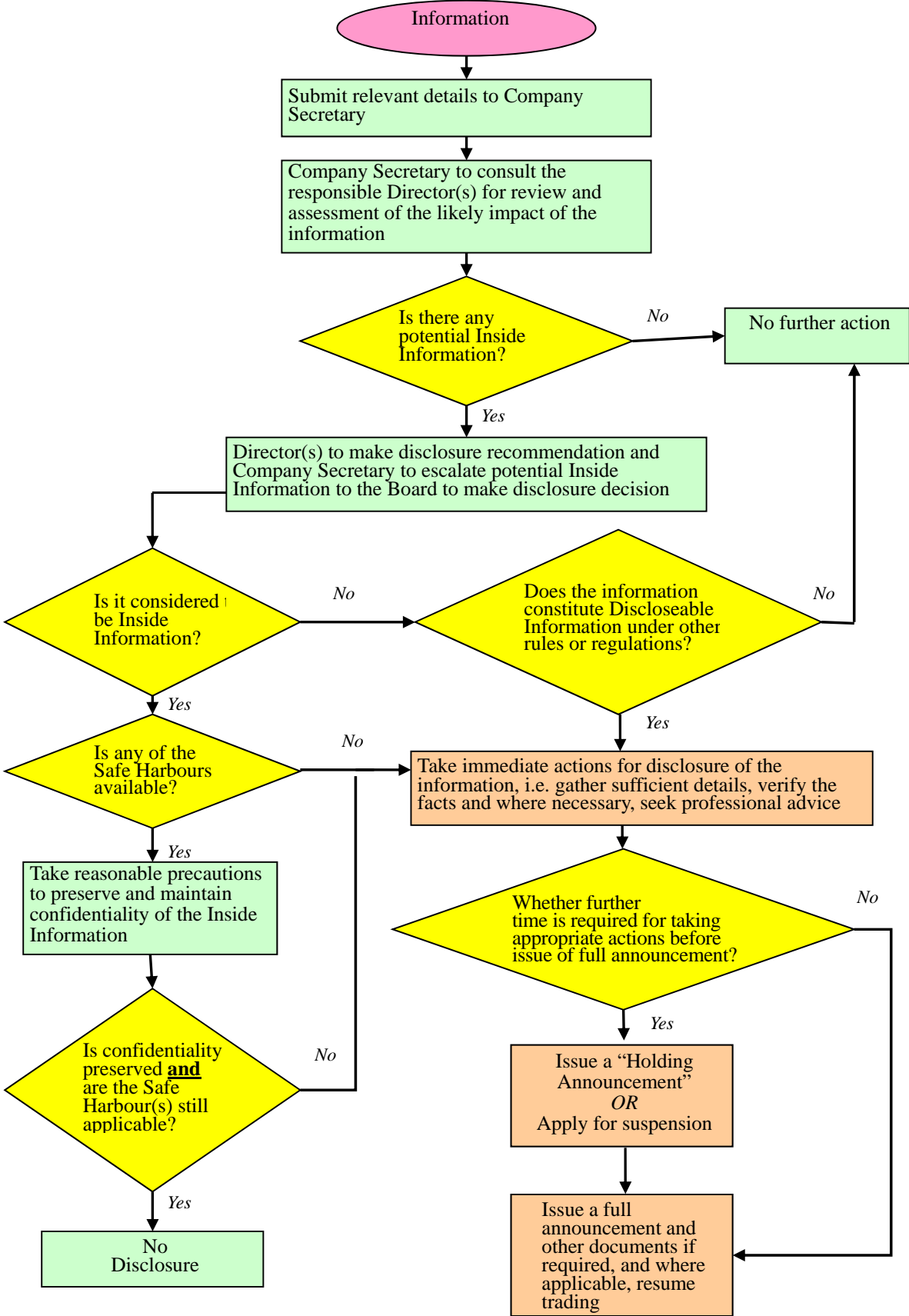
### **Appendix B: Safe Harbours**

No Inside Information is required to be disclosed in the following circumstances (referred to as the “**Safe Harbours**”):

- (i) if and so long as the disclosure is prohibited under, or would constitute a contravention of a restriction imposed by, an enactment or an order of a court; or
- (ii) if and so long as the confidentiality of the information is preserved by implementation of the measures set out herein, and one or more of the following applies:
  - (a) the information concerns an incomplete proposal or negotiation;
  - (b) the information is a trade secret;
  - (c) the information concerns the provision of liquidity support from the Exchange Fund established by the Exchange Fund Ordinance or from an institution which performs the functions of a central bank (including such an institution of a place outside Hong Kong) to the Company or to any other member of the Group;
  - (d) the disclosure is waived by the SFC.

It is the intention of the SFC that such Safe Harbours should only apply in very restricted circumstances. The Company Secretary should be consulted prior to relying on such Safe Harbours.

**Appendix C: Flow Chart of Information Disclosure**



**Important note:**  
 Strict confidentiality of Inside Information or Discloseable Information must be maintained until it is published.