



CCM DUOPHARMA BIOTECH BERHAD
CODE ON CORPORATE GOVERNANCE 2012

Principle 7: Ensure timely and high quality disclosure

SECURITIES TRADING POLICY (*Principle 7.1, 7.2*)

1. INTRODUCTION

- 1.1 This securities trading policy sets out the requirements that must be complied with by a person who possesses unreleased price sensitive information that is not generally available which may have a material effect on the price or value of the Company/Group's securities when such information is made public.
- 1.2 The purpose of this policy is to assist Directors, officers and employees having access to unreleased price sensitive information to avoid conduct known as "Insider Trading" and to avoid any adverse inference being drawn from unfair dealings by these individuals.
- 1.3 This policy sets out:
- (a) a description of what conduct may constitute insider trading;
 - (b) a description of the safest times for Directors, officers and employees having access to unreleased price sensitive information to buy or sell the Company/Group's securities in order to minimise the risk of insider trading;
 - (c) a description of the times when the Company/Group's policy prohibits trading in the Company/Group securities; and
 - (d) the steps for Directors, officers and employees having access to unreleased price sensitive information to take when buying or selling Company securities.

2. DEFINITIONS

- 2.1 In this policy the following definitions apply, unless the context requires otherwise:
- (a) "1 full market day" excludes the day on which an announcement is made.

- (b) "closed period" means a period commencing 30 calendar days before the targeted date of announcement of the quarterly results up to the date of the announcement of the quarterly results to the Exchange.
- (c) "securities" includes any shares, rights, options, warrants and any other security on issue from time to time.
- (d) "price-sensitive information" means information that on becoming generally available would or would tend to have a material effect on the price or value of securities.

3. RESTRICTIONS UNDER CHAPTER 14 OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

3.1 Possession of price-sensitive information

- (a) An affected person must not deal in the listed securities of his own listed issuer or of other listed issuers as long as he is in possession of price-sensitive information relating to such listed securities.

3.2 General restriction on dealings

- (a) An affected person must not deal in the listed securities of his own listed issuer or of other listed issuers as long as he is in possession of price-sensitive information relating to such listed securities.

4. GUIDELINES FOR TRADING IN COMPANY SECURITIES

4.1 Insider trading prohibited

- (a) Insiders must not trade on the basis of material information which is not available to the investing public.
- (b) A person is an "insider" if he:-
 - (i) possesses information that is not generally available which on becoming generally available a reasonable person would expect it to have a material effect on the price or the value of securities; and
 - (ii) knows or ought reasonably to know that the information is not generally available.

In relation to the above, persons who are considered to be in a special relationship with the Company/ Group and falls under the definition of an insider include:

- (i) Directors and Officers of the Company/Group;
- (ii) Employees who have access to the confidential information;
- (iii) Persons who provide business or professional services to the Company/Group;
- (iv) Any other person or company informed about undisclosed material information on the Company/Group by any of the above parties.

- (c) An insider shall not, whether as principal or agent, in respect of any securities:
 - (i) acquire or dispose of, or enter into an agreement for or with a view to the acquisition or disposal of such securities; or
 - (ii) procure, directly or indirectly, an acquisition or disposal of, or the entering into an agreement for or with a view to the acquisition or disposal of such securities.
- (d) An insider shall not, directly or indirectly communicate the information, or cause such information to be communicated, to another person, if the insider knows, or ought reasonably to know, that the person would or would tend to:-
 - (i) acquire, dispose of, or enter into an agreement with a view to the acquisition or disposal of any securities; or
 - (ii) procure a third person to acquire, dispose of or enter into an agreement with a view to the acquisition or disposal of any securities.

4.2 Trading in closed periods prohibited

Directors, principal officers or any person having access to material price sensitive information must not deal in Company securities during a closed period.

4.3 Procedure for dealings during closed period

In the event that a director or principal officer or any person having access to material price sensitive information of the Company needs to deal in the securities of the Company under exceptional circumstances during the closed periods, the following procedures must be complied with:

- (a) An immediate announcement must be made to Bursa Malaysia Securities Berhad ("the Exchange") by the affected person, prior to dealings stating:
 - (i) his/her current shareholding in the company; and
 - (ii) his/her intention to acquire or dispose of the securities of the company during the closed-periods
- (b) Dealings should commence after one (1) full market day from such announcement as stipulated in (a) above;
- (c) An immediate announcement must be made to the Exchange by the affected person not later than one(1) full market day following each dealing stating:
 - (i) the date on which the dealing occurred;
 - (ii) the consideration for the dealing; and
 - (iii) the number of securities acquired or disposed off and the figure as a percentage of the company's issued capital.
- (d) The affected person must give notice of the dealing in writing to the Company Secretary within one (1) full market day after dealing have taken place. The notice shall contain all information given in the announcement made in (c) above.

4.4 False trading and market rigging transactions

- (a) As defined under Section 175(1) of the Capital Market and Services Act and subject to Section 180 of the same, no person shall create, or cause to be created, or do anything that is calculated to create, a false or misleading appearance of active trading in any securities on a stock market in Malaysia or a false or misleading appearance with respect to the market for, or the price of any such securities.
- (b) A person shall not, by means of purchases or sales of any securities that do not involve a change in the beneficial ownership of the securities, or by any fictitious transactions or devices, maintain, inflate, depress, or cause fluctuations, in the market price of any securities.
- (c) A person shall be deemed to have created a false or misleading appearance of active trading in securities if he:-
 - (i) effects, takes part in, is concerned in or carries out, either directly or indirectly, any transaction of sale or purchase of any securities, being a transaction that does not involve any change in the beneficial ownership of the securities;

- (ii) makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as first-mentioned price; or
- (iii) makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price.

5. BREACH

Any non-observance or breaches of the above provisions shall result to a disciplinary, criminal or civil action being taken against the person.

6. APPLICABILITY

The Policy shall adopt the provisions contained in the securities laws such as Capital Market and Services Act, Securities Commission Act and the Bursa Malaysia Listing Requirements and will be reviewed from time to time. In situation where the Policy contradicts the relevant statutory provisions, the latter shall prevail.