

NANYANG HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code : 212)

**POLICY on DISCLOSURE OF INSIDE INFORMATION
(or price-sensitive information)**

(Adopted by the Board on 20th March 2013)

1. Introduction

The purpose of this policy aims to set out guidelines for Nanyang Holdings Limited (the ‘Company’), for monitoring developments in its business so that any inside information which may likely have a material affect on its share price is being disseminated to the public and its shareholders in an equal and timely manner to ensure compliance with disclosure obligations under the Listing Rules of the Hong Kong Stock Exchange and the disclosure of Inside Information of the Securities & Futures Ordinance (SFO).

2. Definition of Inside Information

Under the Part XIVA of the SFO, Chapter 571 which came into effect on January 1 2013, inside information is specific information about the Company, a 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 listed securities.

Examples of possible Inside Information concerning a corporation as shown in Part XIVA of the SFO guidelines but they are not exhaustive.

- 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 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 portfolios 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.

3. Principles of Disclosures

- a. The Company and/or officers are aware of their disclosure obligations under the Listing Rules and disclosure of Inside Information of the SFO to the public as soon as reasonably practicable after the information has come to its knowledge.
- b. The Company's Board of Directors and Secretary shall take reasonable precautions for preserving the confidentiality of Inside Information and the relevant announcement before publication.
- c. All Confidential and Inside Information are treated as strictly confidential and unauthorized use is prohibited. No employee or director may disclose, discuss or share with outside parties the information of price-sensitive nature about the Company that has not been released to the public.
- d. Disclosures made in a manner that provides the public with an equal, timely and effective access to the information, are through the electronic publication system operated by The Stock Exchange of Hong Kong Limited and the Company's website at <http://www.nanyangholdingslimited.com>.

e. Rumours

- (i) There is no obligation to respond to media speculation, market rumours or analysts' reports. However, where press speculation or market rumours are largely accurate and underlying information constitutes Inside Information, it is likely that matters intended to be kept confidential have been leaked, resulting in the safe harbour falling away, and public disclosure is required.

If there are rumours in the public, concern should be addressed to the Board of Directors for determination as to whether the nature of such rumours falls into the category mentioned above.

- (ii) Disclosure of Inside Information is not required if and so long as the circumstances of the case fall within one of the following safe harbours under the Part XIVA:
 - (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 concerns an incomplete proposal or negotiation;
 - (c) the information is a trade secret;
 - (d) the information concerns the provision of liquidity support from the Exchange Fund established by the Exchange Fund Ordinance (Cap. 66) or from an institution which performs the functions of a central bank (including such an institution of a place outside Hong Kong) to the corporation or, if the corporation is a member of a group of companies, to any other member of the group;
 - (e) the disclosure is waived by the Commission.

A listed corporation is not in breach of a disclosure requirement in respect of inside information the confidentiality of which is not preserved if the corporation has taken reasonable measures to monitor the confidentiality of the information; and the corporation discloses the information as soon as reasonably practicable after the corporation becomes aware that the confidentiality of the information has not been preserved.

4. Compliance and Reporting

Directors, officers and relevant employees of the Company who become aware of any Inside Information (or price-sensitive information) should promptly bring it to the attention of the Deputy Managing Director who will notify the Chairman accordingly for taking the appropriate action.

If it is determined that unintentional disclosure occurs or there is price-sensitive information, the Company will promptly make an announcement to provide full disclosure to the public.