

Disclosure policy

Disclosure policy

Linktone Ltd.
ARBN 164 134 472

Adopted by the Board on **19 August 2013**

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Attachment 1

More detailed information about continuous disclosure obligations, contraventions and penalties, infringement notices and statement of reasons

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Disclosure policy

1 General disclosure policy and obligations

The Company has significant obligations under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Listing Rules of ASX Limited (**ASX**) to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

The Company's policy is to ensure compliance with these requirements, and the Company discharges its obligations by releasing information to the ASX in the form of an ASX release or, where appropriate, through disclosure of other relevant documents (eg the annual report, results announcements etc).

This policy primarily addresses the Company's obligations under the ASX Listing Rules and Australian law, which are separate from the Company's obligations under the NASDAQ Marketplace Rules and U.S. securities laws. Although the disclosure obligations arising from the ASX and NASDAQ listings are similar in some respects, the Company's management and board of directors need to bear in mind that they are not the same and separate consideration will need to be given to the appropriate disclosure and procedures related thereto in the U.S..

2 Overview of continuous disclosure obligations, contraventions and penalties

2.1 ASX Listing Rule 3.1

The ASX has described Listing Rule 3.1 as its most important and 'cornerstone' Listing Rule. It requires that the Company must immediately notify the ASX of **any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of the Company's securities**. This is what is known as the continuous disclosure rule.

The basic principle underlying the continuous disclosure framework is that:

Timely disclosure must be made of information which may affect security values or influence investment decisions, and information in which security holders, investors and ASX have a legitimate interest.

'Timely' disclosure is disclosure that is not premature and not late.

2.2 Materiality

Materiality must be assessed having regard to all the relevant background information, including past announcements that have been made by the Company and other generally available information.

Strategic or reputational matters clearly have the potential to be very significant issues for the Company. They can be just as important as (or even more important than) financial and other 'quantifiable' matters.

2.3 Exceptions to the continuous disclosure rule

Disclosure to the market is not required where **each** of the following conditions is and remains satisfied:

- (a) **one or more** of the following apply:
- it would be a breach of a law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for the internal management purposes of the Company; or
 - the information is a trade secret; and
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

Confidentiality

When the Company is relying on an exception to Listing Rule 3.1, or is involved in a development that may eventually require reliance on an exception, appropriate confidentiality protocols must be adhered to. A leak of confidential information will immediately deny the Company the ability to withhold the information from the ASX and force the Company to make a 'premature' announcement.

2.4 False market

If the ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must give the ASX the information needed to correct or prevent the false market. See section 7.4 for the Company's policy in relation to ASX price query letters.

The obligation to give this information arises even if an exception described in paragraph 2.3 would apply but for the ASX's request.

2.5 Contraventions

The Company contravenes its continuous disclosure obligations if it fails to notify the ASX of information required by ASX Listing Rule 3.1.

Either the ASX or ASIC, as co-regulators, may take action upon a suspected contravention.

(a) ASX Listing Rules

If the Company contravenes its continuous disclosure obligations under the Listing Rules, the ASX may suspend trading in the Company's shares or, in extreme cases, may delist the Company from the ASX.

(b) Corporations Act

If the Company contravenes its continuous disclosure obligations, it may also be liable under the Corporations Act and may face:

- criminal liability which attracts substantial monetary fines; and
- civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information to the ASX.

ASIC has the power to issue infringement notices to the Company (see section 9).

ASIC can also initiate investigations of suspected breaches under the *Australian Securities Commission Act 2001* (Cth).

(c) Class action risk

If the Company fails to disclose materially price sensitive information in accordance with Listing Rule 3.1, people who buy or sell the Company's securities during the period of the failure (and possibly other affected stakeholders) may be entitled to bring a class action against the Company. Even when they are not successful, class actions can be costly to defend and may have a serious negative effect on the Company's reputation and share price. A successful class action may have the potential to threaten the solvency of the Company.

2.6 Persons involved in a contravention

The Company's officers (including its directors), employees or advisers who are involved in any contravention of the Company's continuous disclosure obligations may also face criminal penalties and civil liability. Substantial penalties or imprisonment, or both, may apply.

The procedures specified in this policy are the minimum expected of relevant officers and employees in relation to compliance with the Company's continuous disclosure obligations. Depending on the circumstances, officers and employees may have obligations over and above those contained in this policy.

To avoid potential civil or criminal liability, in all situations officers and employees must do everything they reasonably can to ensure that the Company complies with its continuous disclosure obligations (see paragraph 2.3 of Attachment 1). In particular, staff must not try to hide or delay 'material news', especially when the information is likely to impact the company's share price.

3 Further background information

More detailed information about continuous disclosure obligations, contraventions and penalties and infringement notices is contained in Attachment 1 to this policy.

4 Reporting disclosable events

- (a) It is a standing agenda item at all the Company Board meetings to consider whether any matters reported to or discussed at a Board meeting should be disclosed to the market pursuant to the Company's continuous disclosure obligation. Continuous disclosure is also a standing agenda item at senior management meetings for the purpose of monitoring compliance with the Company's obligations.

- (b) If management becomes aware of any information at any time that should be considered for release to the market, it must be reported immediately to a member of the Company's Public Disclosure Committee (**Disclosure Committee**). The members of the Disclosure Committee are members of management, including the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**), or chosen by the Board.

To the extent practicable, the Disclosure Committee will have members who have authority regarding the financial and accounting policies of the Company, the investor relations policies of the Company, or the legal policies of the Company, and such other members as the Board deems appropriate. The Disclosure Committee shall be under the direct supervision of the CEO and CFO. Disclosure Committee members have been selected on the basis of their access to and knowledge of information that may require disclosure under the ASX continuous disclosure rule or in the Company's periodic reports to the U.S. Securities and Exchange Commission (**SEC**). The Chair of the Company, CEO or CFO may in their discretion appoint other executive officers and employees of the Company to the Disclosure Committee.

It is important for management to understand that just because information is reported to the Disclosure Committee that does **not** mean that it will be disclosed to the ASX. It is for the Disclosure Committee to determine whether information is material and requires disclosure. Accordingly, the Company's policy is for **all potentially material** information to be reported to the Disclosure Committee even where the reporting officer or division is of the view that it is not in fact 'material'. The officer's or division's view on materiality can (and should) be shared with the Disclosure Committee but will not be determinative.

A similar reporting obligation also arises where a non-executive director (in their capacity as a director of the Company) becomes aware of information that should be considered for release to the market.

- (c) Where any information is reported as referred to in paragraph 4(b), the Disclosure Committee will (as appropriate):
- review the information in question;
 - urgently seek any advice that is needed to assist the Disclosure Committee to interpret the information (provided that disclosure of the information cannot be delayed if the information is clearly materially price sensitive on its face);
 - determine whether any of the information is required to be disclosed to the ASX;
 - consider whether it is necessary to seek a trading halt to facilitate an orderly, fair and informed market in the Company's securities; and
 - coordinate the actual form of disclosure with the relevant members of management.
- (d) Where any information is reported as referred to in paragraph 4(b), and the Disclosure Committee determines that the circumstances are developing but the information is not presently disclosable, the CFO or his/her delegate must oversee the preparation of an appropriate draft announcement to facilitate immediate disclosure of the information if it later becomes disclosable (for example, as a result of confidentiality being lost through a 'leak').
- (e) In addition, the Company has a duty not to disclose information in a way that could mislead the market. Appropriate care must therefore be taken to ensure

that the content of any announcement accurately discloses the material information.

- (f) All announcements to the ASX will be made through the CFO's office under the authority of the CFO in accordance with the procedure outlined in Attachment 2 to this policy (**ASX Lodgement Procedures**).
- (g) All deliberations of the Disclosure Committee will be shared without delay with the Chair of the Board or, in their absence, the Chair of the Audit Committee. Where open briefings or public speeches are to be made and, in accordance with this policy, relevant presentation materials and speeches are to be lodged with the ASX, prior approval will be obtained from the Chair and CEO.

5 Disclosure controls and procedures

The Company has established Disclosure Controls and Procedures in connection with the listing of its American depository shares on the NASDAQ Global Market. A copy is attached as Attachment 3 to this Disclosure Policy.

6 Public comment / statements

In order to ensure the Company meets its continuous disclosure obligations, it is important to exercise strict control over what is said publicly, and by whom. It is therefore necessary to limit who is authorised to issue statements or make verbal comment to the media.

The CFO's office will ensure all announcements to the ASX made under this Disclosure Policy are placed promptly on the Company's website following receipt of acknowledgement from the ASX that it has released the information to the market.

7 Financial markets communications

7.1 The Company's contact with the market

Throughout the year the Company has scheduled times for disclosing information to the financial market on its performance. The Company provides technical back-up information at these times that supports such announcements. The financial results announcements, and the supporting information, must be lodged with the ASX.

In addition, the Company may interact with the market in a number of ways outside these sessions which can include one-on-one briefings, speeches etc. At all times when interacting with the financial community, the Company must adhere to its continuous disclosure obligation and must not selectively disclose material price sensitive information to an external party unless that information has first been released to the ASX.

7.2 Authorised spokespersons

The only Company representatives authorised to speak on behalf of the Company to major investors and stockbroking analysts are:

- Chairman of the Board and CEO
- CFO
- Or their delegates nominated for a specific purpose.

Authorised spokespersons must not provide any material price sensitive information that has not already been announced to the market nor make comment on anything that may have a material effect on the price or value of the Company's securities unless it has previously been announced to the market.

Any questions or enquiries from the financial community (whether received in writing, verbally or electronically including via the website) should be referred in the first instance to Group Investor Relations.

7.3 Communication blackout periods

Beginning on the close of business on the fifteenth day of the third month of each quarter and ending on the opening of the second business day following the Company's filing with the SEC of the Company's annual financial reports or public release of quarterly or annual financial information, the Company imposes a blackout period in order to avoid the risk of creating a false market by inadvertently disclosing information that is incomplete or uncertain. The Company's policy is that during this time it will not hold one-on-one briefings with institutional investors, individual investors or stockbroking analysts to discuss financial information concerning the Company and will not hold any open briefings to discuss anything other than information which has been announced to the ASX.

Any proposal to deviate from this policy must be subject to approval in advance from the CEO and, if any briefings or meetings are held during a blackout period, there must be no discussion or provision of financial or other information in breach of the Company's continuous disclosure obligation.

7.4 ASX price query letters

The ASX can issue a price query letter if there is a material movement in the Company's share price that is not explained by an announcement or by information that is generally observable. The ASX will give the Company a short period (often no more than 24 hours) to respond and will publish both the query and the Company's response on the ASX Company Announcements Office 'CAP platform'.

The questions that the ASX may ask in conjunction with a price query can be quite broad. The preparation of a response can be particularly difficult in the period leading up to the Company's results announcement because of the heightened possibility that the Company may be forced to make a premature announcement of incomplete information.

In order to be in a position to deal promptly with any price query, the CFO's office should have a system in place which will enable rapid discussion and review of the proposed response. Draft language should also be prepared in advance where a development can be anticipated as being likely to occur.

Any response to the ASX should be mindful of any likely future announcements so that the response will not appear, with the benefit of hindsight, to have been less than clear and transparent.

8 Electronic communication with shareholders

In addition to its continuous disclosure obligations, the Company has a policy of seeking to keep shareholders informed through electronic communication. Under this policy, the Company seeks to:

- provide a comprehensive and up to date website which includes copies of all material information lodged with the ASX (including announcements and financial information) as well as other Company information. The website also provides a facility for shareholders to direct enquiries to the Company;
- place all relevant announcements, briefings and speeches made to the market or media on the website; and
- place full text of notices of meeting, and accompanying explanatory notes on the website.

Providing as much information as possible to shareholders through electronic means reinforces the importance of ensuring that executives clearly understand the Company's continuous disclosure obligation and that the procedures set out in this Disclosure Policy are adhered to. This in turn assists in ensuring that all appropriate material information is identified and released to the market and the Company's shareholders in accordance with the Company's continuous disclosure obligation.

9 Role of the CFO's office

The Company has nominated the CFO as the person with the primary responsibility for all communication with the ASX in relation to Listing Rule matters. In particular the CFO and his/her delegates are responsible for:

- liaising with the ASX in relation to continuous disclosure issues;
- the lodging of announcements with the ASX in relation to continuous disclosure matters;
- implementing procedures to ensure that the Company's PIN and individual passwords are secure;
- ensuring senior management are aware of the Company's Disclosure Policy and related procedures, and of the principles underlying continuous disclosure;
- ensuring this Disclosure Policy is reviewed and updated periodically as necessary; and
- maintaining an accurate record of all announcements sent to the ASX and all correspondence with ASIC in relation to the Company's continuous disclosure obligations.

10 Role of the Board

The usual procedure for making disclosures under ASX Listing Rule 3.1 is through the Disclosure Committee as outlined in section 4 'Reporting disclosable events'.

Board approval and input will only be required in respect of matters that are clearly within the reserved powers of the Board (and responsibility for which has not been delegated to

management) or matters that are otherwise of fundamental significance to the Company. Such matters will include:

- significant profit upgrades or downgrades;
- dividend policy or declarations;
- company-transforming events; and
- any other matters that are determined by the Disclosure Committee or the Chair to be of fundamental significance to the Company.

Where an announcement is to be considered and approved by the Board, the CFO and Disclosure Committee must ensure that the Board is provided with all relevant information necessary to ensure that it is able to fully appreciate the matters dealt with in the announcement.

In the event that an announcement that would ordinarily require Board approval must immediately be disclosed to the market in order for the Company to comply with its continuous disclosure obligations, all reasonable effort must be made to have the announcement urgently considered and approved by the Board prior to release. However, if such approval cannot be obtained in advance, the usual procedure for making disclosures is to be followed to ensure compliance with the continuous disclosure laws. The announcement must then be considered by the Board at the first possible opportunity following its release to determine what, if any, further steps need to be taken by the Company.

11 Infringement notices and statement of reasons

If ASIC has reasonable grounds to believe that the Company has contravened its continuous disclosure obligations, ASIC may issue an infringement notice to the Company.

The receipt by the Company of any written statement of reasons or infringement notice issued to it by ASIC must be reported immediately to the Disclosure Committee.

If the Company receives an infringement notice, the Disclosure Committee (in consultation with the Board where appropriate) must oversee the Company's response to the infringement notice.

12 Other disclosure obligations

The Company has numerous other disclosure obligations under Chapter 3 of the Listing Rules, including disclosure obligations in relation to but not limited to:

- making a takeover bid;
- making a buy-back;
- changes to the Company's share capital;
- options over shares;
- general meetings of the Company;
- the Company's registered office and share register;
- changes in officeholders;

- documents sent to shareholders;
- loan assets;
- ownership limits;
- directors' interests; and
- record dates and timetables.

The CFO is responsible for ensuring that necessary disclosures are made as and when required.

13 Policy breaches

The Company regards its continuous disclosure obligation very seriously. Breach of this policy may lead to disciplinary action being taken against the employee, including dismissal in serious cases.

Attachment 1

More detailed information about continuous disclosure obligations, contraventions and penalties, infringement notices and statement of reasons

1 Continuous disclosure obligations

1.1 ASX Listing Rule 3.1

This Listing Rule requires that the Company must immediately notify the ASX of **any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of the Company's securities**. This is what is known as the continuous disclosure obligation.

1.2 Material effect on the price of securities

A reasonable person is taken to expect information to have a **material effect** on the price or value of securities if it would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the securities.

1.3 Release of information to others

The Company must not release material price sensitive information to any person (eg the media or any analysts) until it has given the information to the ASX and has received an acknowledgement that the ASX has released the information to the market. This restriction is subject to Listing Rule 15.7.1 which provides that 'an entity may release information that is for release to the market, if it becomes available outside the hours of operation of the market announcements office, to an overseas stock exchange that requires it. In that case, the entity must give the information to the market announcements office at the same time, together with advice that it has released it'.

1.4 Information that is generally available

Criminal sanctions will not apply to a breach of the Company's continuous disclosure obligation if the information is generally available.

Information is generally available if it:

- (a) consists of readily observable matter;
- (b) has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in any of the classes of securities issued by the Company and since it was made known, a reasonable period for it to be disseminated among those persons has elapsed. That is, information will be 'generally available' if it has been released to the ASX or published in an annual report, prospectus or similar document and a reasonable time has elapsed after the information has been disseminated in one of these ways; or

- (c) consists of deductions, conclusions or inferences made or drawn from information referred to in 1.4(a) or information made known as mentioned in 1.4(b), or both.

1.5 Exceptions to continuous disclosure obligation

Disclosure is not required to the market where **each** of the following conditions is and remains satisfied:

- (a) **one or more** of the following apply:
- it would be a breach of a law to disclose the information;
 - the information concerns an incomplete proposal or negotiation;
 - the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - the information is generated for the internal management purposes of the Company; or
 - the information is a trade secret; and
- (b) the information is confidential and ASX has not formed the view that the information has ceased to be confidential; and
- (c) a reasonable person would not expect the information to be disclosed.

As soon as any one of these 3 conditions is no longer satisfied (eg the information is reported in the media and is therefore no longer confidential), the Company must immediately comply with its continuous disclosure obligation.

In this respect, it should also be noted that if the ASX forms the view that the information has ceased to be confidential, then such information will no longer be regarded as confidential and must be released to the market. The ASX will generally hold this view where there is a rumour circulating or there is media comment about the information and the rumour or comment is reasonably specific. This highlights the importance of maintaining confidentiality of sensitive information.

1.6 False market

If the ASX considers that there is or is likely to be a false market in the Company's securities and asks the Company to give it information to correct or prevent a false market, the Company must give the ASX the information needed to correct or prevent the false market.

The obligation to give this information arises even if an exception described in paragraph 1.5 of this attachment applies.

The ASX would consider that there is or is likely to be a false market in the Company's securities in the following circumstance:

- the Company has information that has not been released to the market, for example because an exception in paragraph 1.5 of this attachment applies;
- there is reasonably specific rumour or media comment in relation to the Company that has not been confirmed or clarified by an announcement by the Company to the market; and
- there is evidence that the rumour or comment is having, or ASX forms a view that the rumour or comment is likely to have, an impact on the price of the Company's securities.

2 Contraventions and penalties

2.1 Contraventions

The Company contravenes its continuous disclosure obligations if it fails to notify the ASX of information required by ASX Listing Rule 3.1.

Either the ASX or ASIC, as co-regulators, may take action upon a suspected contravention.

Contravention of the Company's continuous disclosure obligations may also lead to unwanted publicity for the Company and may cause damage to its reputation in the market place which may adversely impact the market value of its securities.

2.2 Liability and enforcement

(a) ASX Listing Rules

If the Company contravenes its continuous disclosure obligations under the Listing Rules, the ASX may suspend trading in the Company's shares or may de-list the Company from the ASX.

(b) Corporations Act

If the Company contravenes its continuous disclosure obligations, it may also be liable under the Corporations Act and may face:

- criminal liability which attracts substantial monetary fines; and
- civil liability for any loss or damage suffered by any person as a result of the failure to disclose relevant information to the ASX.

There is no fault element required to establish civil liability. However, a court has power to relieve a person from civil liability if the person acted honestly and in the circumstances the person ought fairly to be excused for the contravention.

ASIC has the power to issue infringement notices to the Company (see section 4).

ASIC can also institute proceedings under the ASIC Act 2001.

2.3 Persons involved in a contravention

The Company's officers (including its directors), employees or advisers who are involved in any contravention of the Company's continuous disclosure obligations may face criminal penalties and civil liability. Substantial penalties or imprisonment, or both, may apply.

A person will not be considered to be involved in the contravention if the person proves that they:

- (a) took all steps (if any) that were reasonable in the circumstances to ensure that the Company complied with its continuous disclosure obligations; and
- (b) after doing so, believed on reasonable grounds that the Company was complying with those obligations.

3 Infringement notices and statement of reasons

If ASIC has reasonable grounds to believe that the Company has contravened its continuous disclosure obligations, ASIC may issue an infringement notice to the Company, providing (among other things) details of the alleged contravention and specifying the penalty.

Before issuing the infringement notice, ASIC must:

- (a) give the Company a written statement of reasons; and
- (b) give a representative of the Company an opportunity to appear at a private hearing before ASIC, give evidence and make submissions to ASIC in relation to the alleged contravention.

If an infringement notice is issued to the Company, the Company may:

- (c) pay the penalty specified in the infringement notice and lodge the requisite notification with ASX;
- (d) seek an extension of the 28 day compliance period;
- (e) make written representations to ASIC seeking withdrawal of the infringement notice (and, if appropriate, seeking refund of any penalty paid in accordance with the infringement notice); or
- (f) decline to satisfy the infringement notice within the compliance period.

Even when the Company pays the penalty specified in an infringement notice, the Company may still be pursued in the courts by third parties. Paying an infringement notice **will not** prevent shareholders or other affected third parties from bringing a class action.

ASX Lodgement procedures

Purpose

To outline the procedures to be followed by the Company in relation to the release of announcements to ASX Limited (**ASX**) in relation to the Company's continuous disclosure obligations.

Background

ASX Listing Rules require a listed entity to immediately notify the ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The entity does this by way of an online lodgement to the ASX Market Announcements Platform (**MAP**). The online lodgement will be carried out on a secure online service that will be protected by a unique user name and password.

There are 2 main types of announcements made to the ASX:

- Price sensitive information, including annual and half-yearly results announcements, which are usually drafted by the CFO's office or the relevant responsible member of management in the form of media materials; and
- General notifications required by the ASX (eg change of director, change in director shareholdings, issue of new securities) which are usually drafted by the CFO's office.

All price sensitive announcements are to remain confidential until released to the market by the ASX Markets Announcements (AMA) office.

Any announcement lodged on the MAP will be provided to the AMA and will be released by the AMA as per the procedure outlined in ASX Guidance Note 14. As such, it is extremely important that appropriate controls are placed over the ASX lodgement process to ensure:

- (1) Only authorised personnel are able to lodge announcements with MAP; and
- (2) All documents lodged with MAP are the final versions approved by the CEO and the CFO's office.

AMA Operating hours and procedures

The AMA operating hours are 7.30am to 7.30pm AEST (8.30pm during daylight saving) on each trading day.

The AMA will start processing announcements from 7.30am AEST and will continue to receive and process announcements up to 7.30pm AEST (8.30pm AEST during daylight saving).

Announcements received after 7.30pm AEST (8.30pm AEST during daylight saving) or on a non-trading day are queued for review and release on the morning of the next following trading day.

The market is open from 10am to 4pm AEST.

ASX lodgement procedure

The procedure to be followed in relation to the lodgement of announcements with the ASX is as follows:

- (1) The responsible executive will draft the ASX release.
- (2) The CEO and CFO must approve **all** price sensitive releases.
- (3) The responsible executive will provide the final version of the ASX release they have drafted to the CFO (or her delegate) by email. The email should also provide confirmation that the release is the final version as approved by the CEO.
- (4) The CFO or his/her delegate will review all announcements before confirming their release to the ASX.
- (5) Announcements must have a left-hand margin of at least 2.5 cm to accommodate the ASX's 'For Personal Use Only' watermark.
- (6) Once the ASX release has been approved and the timing for release has been confirmed, the CFO or his/her delegate will release the announcement online to the ASX at the relevant time using the secure username and password.
- (7) Confirmation of the ASX release is received via e-mail by the CFO.
- (8) The CFO's office will advise the appropriate Company management of the release via e-mail and a copy of the release will also be provided to all non-executive directors via the CFO's office.
- (9) The email confirmation and fax confirmation should be filed with the hard copy of the announcement in the ASX release file.
- (10) If an announcement is intended for release by market open at 10am AEST, then it must be submitted to the AMA no later than 9.30am AEST. In the event this is not possible, the CFO or his/her delegate must contact the Listings Advisor to discuss options available, including putting in place a short trading halt.
- (11) If an announcement is intended for release by market close at 4pm AEST, then it must be submitted to the AMA no later than 3.40pm AEST.
- (12) In the event the Company has advance warning that it may need to make an announcement on NASDAQ at a time the AMA is not open, the CFO or his/her delegate should contact the Listings Advisor to discuss the arrangements that can be made to submit this to the AMA together with advice that it has released the announcement.
- (13) If an announcement is lodged with NASDAQ, it must also be lodged with the ASX even if it is not required by the ASX Listing Rules.

Attachment 3

Disclosure Controls and Procedures

Purpose

The purpose of these Disclosure Controls and Procedures is to outline the controls and procedures adopted by Linktone Ltd. (the “Company”) to collect, process, summarize and report all required material information for the Company’s Securities and Exchange Commission (the “SEC”) filings.

Public Disclosure Committee

The Company has formed a Public Disclosure Committee (the “Committee”) to consider the materiality of information and to determine on a timely basis the Company’s disclosure obligations under the U.S. federal securities laws, including its annual report filed with the SEC, its annual meeting proxy statement which may be submitted to the SEC under cover of Form 6-K, its quarterly earnings press releases and other current items which must be reported on Form 6-K. One member of the Committee shall be appointed the chairperson of the Committee (the “Committee Chair”), and shall be responsible for coordinating efforts of the Committee members. The Committee shall meet regularly not less than once every fiscal quarter and otherwise at the direction of the Committee Chair. Whenever the Committee Chair deems it appropriate, the Committee shall also meet prior to the public filing of a Form 20-F, proxy statement, significant press releases or other SEC filings. Following a quarterly meeting of the Committee, the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) shall promptly submit their written evaluation of the ongoing effectiveness of these Disclosure Controls and Procedures to the Company’s Audit Committee of the Board of Directors for review. The Committee shall be under the direct supervision of the CEO and CFO.

The members of the Committee will be members of management, including the CEO and CFO, or chosen by the Board of the Directors (the “Board”). To the extent practicable, the Committee will have members who have authority regarding the financial and accounting policies of the Company, the investor relations policies of the Company, or the legal policies of the Company, and such other members as the Board deems appropriate.

Committee members have been selected on the basis of their access to and knowledge of information that may require disclosure in the Company’s periodic reports to the SEC. The Committee Chair, CEO or CFO may in their discretion appoint other executive officers and employees of the Company to the Committee.

Disclosure Controls and Procedures

For purposes of reporting information at each Committee meeting, Appendix A identifies: (i) the principal sections of the Company's quarterly earnings press releases, (ii) the disclosure items required to be included in the Company's annual report, (iii) the disclosure items which the Company, while not obligated to provide in its annual meeting proxy statement, may consider to voluntarily provide to shareholders, (iv) the Committee member(s) primarily responsible for the information necessary to complete the disclosure for each item ("Responsible Party"); and (v) any outside independent expert or professional advisor who assists in the completion of the disclosure for a particular item. For each financial period reported by the Company, each Responsible Party shall regularly consult with his or her staff and other employees to collect information necessary to complete the disclosure item for which he or she is responsible.

Prior to each meeting of the Committee, the Responsible Party shall provide the Company's Committee Chair with the required information relating to the disclosure item for which the Committee member is responsible. The Committee Chair, with the assistance of outside counsel, will prepare and circulate a draft of the earnings press release, annual report, proxy statement or other report to the CEO, CFO, Committee members and the Audit Committee of the Board of Directors.

At each Committee meeting, each Responsible Party shall summarize for the CEO and CFO the relevant draft disclosure. Each Responsible Party shall report to the CEO and CFO on information about the Company that such Responsible Party is primarily responsible for compiling and organizing for public disclosure. In their sole discretion, the CEO or CFO may request "back-up certificates" from Responsible Parties with respect to any areas of disclosure. These back-up certificates may include written explanations of facts, circumstances and analysis relating to disclosure issues of which the Responsible Party has exclusive or primary knowledge. Back-up certificates may be requested when the CEO or CFO deems it necessary or appropriate to support his or her assessment of the materiality of the information. The CEO and CFO may also conduct interviews of individuals within the Company directly or may engage independent experts and professional advisors to assist in evaluating disclosure issues and determining the Company's obligations. All reasonable expenses incurred in connection with the engagement of such independent experts and professional advisors will be paid for by the Company.

Following a meeting of the Committee, the Committee Chair, with the assistance of the Audit Committee, outside counsel and the independent auditor, shall revise the draft earnings press release, annual report, proxy statement or other report to address any concerns or issues raised by the CEO, CFO or any other Committee member. The revised draft shall also include the CEO's and CFO's evaluation of the effectiveness of the Company's Disclosure Controls and Procedures. This revised draft will be submitted to the Audit Committee, outside counsel, the independent auditor and the Board of Directors for review. Once the CEO and CFO are satisfied that all issues have been addressed as appropriate and have provided their required certifications, the report may be publicly disseminated and filed with the SEC.

In addition, each Responsible Party shall monitor his or her disclosure area on a continuous basis throughout the year and immediately report any material changes/events in that area to the CFO so that the CFO and CEO can consider whether the company should disclose

such information by means of a press release, amended annual report or proxy statement or current report on Form 6-K.

APPENDIX A

EARNINGS PRESS RELEASE, FORM 20-F AND ANNUAL MEETING

PROXY STATEMENT

Section of the Report	Responsible Party at the Company	Responsible Outside Party <i>[indicate whether outside counsel, independent auditors or other outside experts assist in completion of the item]</i>
Earnings Press Release Information: Financial Statements Text of Press Release (including quote(s) from senior management) Company description Disclaimer about forward-looking statements		
Form 20-F Information: Item 3.A. Selected Financial Data		
Item 3.D. Risk Factors		
Item 4. Information on the Company A. History and Development of the Company B. Business Overview C. Organizational Structure D. Property, Plant and Equipment		
Item 5. Operating and Financial Review and		

Section of the Report	Responsible Party at the Company	Responsible Outside Party <i>[indicate whether outside counsel, independent auditors or other outside experts assist in completion of the item]</i>
Prospects A. Operating Results B. Liquidity and Capital Resources C. Research and Development, Patents and Licenses, etc. D. Trend Information E. Off-Balance Sheet Arrangements F. Tabular Disclosure of Contractual Obligations		
Item 6. Directors, Senior Management and Employees A. Directors and Senior Management B. Compensation C. Board Practices D. Employees E. Share Ownership		
Item 7. Major Shareholders and Related Party Transactions		

Section of the Report	Responsible Party at the Company	Responsible Outside Party <i>[indicate whether outside counsel, independent auditors or other outside experts assist in completion of the item]</i>
A. Major Shareholders B. Related Party Transactions		
Item 8. Financial Information A. Consolidated Statements and Other Financial Information A7. Legal Proceedings A8. Dividend Policy B. Significant Changes		
Item 9. The Offer and Listing		
Item 10 Additional Information B. Memorandum and Articles of Association C. Material Contracts D. Exchange Controls E. Taxation		
Item 11. Quantitative and Qualitative Disclosure about Market Risks A. Quantitative		

Section of the Report	Responsible Party at the Company	Responsible Outside Party <i>[indicate whether outside counsel, independent auditors or other outside experts assist in completion of the item]</i>
Information about Market Risks B. Qualitative Disclosure about Market Risks		
Item 12. Description of Securities Other than Equity Securities D. American Depositary Shares		
Item 13. Defaults, Dividend Arrearages, Delinquencies		
Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds		
Item 15. Controls and Procedures		
Item 16A. Audit Committee Financial Expert		
Item 16B. Code of Ethics		
Item 16C. Principal Accountant Fees and Services		
Item 16D. Exemptions from the Listing Standards		

Section of the Report	Responsible Party at the Company	Responsible Outside Party <i>[indicate whether outside counsel, independent auditors or other outside experts assist in completion of the item]</i>
for Audit Committees		
Item 16E. Purchases of Equity Securities by the Issuer and Affiliate Purchasers		
Item 16F. Change in Registrant's Certifying Accountant		
Item 16G. Corporate Governance		
Item 16H. Mine Safety and Disclosure		
Item 17. Financial Statements		
Item 18. Financial Statements		
Item 19. Exhibits		
<p>Proxy Statement Information:</p> <p>Directors and Executive Officers</p> <ul style="list-style-type: none"> • Identification of Directors • Identification of Executive Officers • Identification of Certain Significant Employees 		

Section of the Report	Responsible Party at the Company	Responsible Outside Party <i>[indicate whether outside counsel, independent auditors or other outside experts assist in completion of the item]</i>
<ul style="list-style-type: none"> • Business Experience (Background & Directorships) • Involvement in Certain Legal Proceedings • Promoters and Control Persons 		
<p>Executive Compensation</p> <ul style="list-style-type: none"> • General (All Compensation Covered, Persons Covered, Information for Full Fiscal Year) • Summary Compensation Table • Option Grants Table 		
<ul style="list-style-type: none"> • Aggregated Option Exercises and Fiscal Year End Option Value Table • Compensation of Directors • Employment Contracts, Termination of Employment and Change-in-Control Arrangements • Report on Repricings of Options • Additional 		

Section of the Report	Responsible Party at the Company	Responsible Outside Party <i>[indicate whether outside counsel, independent auditors or other outside experts assist in completion of the item]</i>
<p>Information With Respect to Compensation Committee Interlocks and Insider Participation in Compensation Decisions</p> <ul style="list-style-type: none"> • Board Compensation Report on Executive Compensation • Stock Performance Graph 		
<p>Security Ownership of Certain Beneficial Owners and Management</p> <ul style="list-style-type: none"> • Securities Authorized for Issuance Under Equity Compensation Plans 		
<p>Certain Relationships and Related Transactions</p> <ul style="list-style-type: none"> • Transactions With Management and Others • Certain Business Relationships • Indebtedness of Management • Transactions With Promoters 		
<p>Controls and Procedures</p>		

