

1. CORPORATE DISCLOSURE POLICY

1.1 Introduction

Hock Seng Lee Berhad (HSL) is committed to provide timely, complete and accurate disclosure of material information pertaining to the Group's performance and operations and to ensuring equal access to such material information, avoiding any individual or selective disclosure.

HSL has established the following guidelines in regards to the Group's approach toward:-

- the formulation, determination and dissemination of material information; and
- the internal procedural guidelines to facilitate consistent disclosure practices across HSL and its subsidiaries;

1.2 Objectives

- a) To develop and maintain good investor relations by disseminating all material disclosures to enhance the corporate credibility and reputation of HSL as well as improve investor confidence;
- b) To raise awareness and provide guidance to HSL's Board of Directors, management, officers and employees on the Company's disclosure requirements and practices;
- c) To provide guidelines and policies in verifying, authorising and disseminating corporate information to the investing public, regulators, analysts and media; and
- d) To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information.

1.3 Scope

These guidelines cover the following disclosures:-

- Written documents provided to Bursa Malaysia and other regulators, statements made in the Company's annual report, financial statements, quarterly reports, press releases, letters and circulars to shareholders, email communication and information on the Company's website;
- Oral statements made in group and individual meetings, telephone conversations, interviews and press conference with financial analysts, investors and media.

1.4 Applicability

This Corporate Disclosure Policy applies to all Directors and employees of HSL and its subsidiaries.

2. AUTHORITY AND RESPONSIBILITY FOR CORPORATE DISCLOSURE

2.1 Corporate Affairs Department

The Corporate Affairs Director is responsible for overseeing and coordinating disclosure of material information in accordance with the Main Market Listing Requirements of Bursa Malaysia ("Main LR") and ensuring adherence to the Company's Corporate Disclosure Policy.

The Corporate Affairs Director in consultation and collaboration with the other relevant departments or business units shall carry out the followings:-

- a) Maintaining an awareness and understanding of the corporate disclosure requirements and any changes thereto;

- b) Ascertaining whether corporate developments, transactions and other events constitute material information and if so, ensuring the procedures outlined in the Corporate Disclosure Policy are fully adhered to;
- c) Implementing and monitoring compliance with the Corporate Disclosure Policy, reviewing any violations, imposing appropriate consequences undertaking remedial actions.

2.2 Authorized Spokespersons

- a) The Chairman, Managing Director (“MD”), Executive Director–Procurement and Corporate Affairs Director are designated as the authorized spokespersons of HSL. Others within the Company may be designated by the MD to speak on behalf of the Company in regards to limited and specific communication only.
- b) An authorized spokesperson may, from time to time, respond to specific inquiries from the investment community or media. However, he/she shall not disclose material information that has not been previously made public.
- c) Employees who are not authorized spokespersons shall refer all enquiries from the financial community, shareholders and media to the Corporate Affairs Director or Company Secretaries.
- d) The Corporate Affairs Director is responsible for scheduling and developing communications and presentations for all meetings with financial analysts, the media and the investing public.

3. PROCEDURES AND PRACTICES ON CORPORATE DISCLOSURE

3.1 Material information

- (a) Material information is any information about the Group which is reasonably expected to have a material effect on:
 - i. the market price, value or market activity of the Company’s securities; or
 - ii. the decision of a shareholder or an investor in determining his/her choice of action in transacting the share of the Company.
- (b) In determining the materiality of an event, the Company shall seek guidance from the Main LR
- (c) Determining materiality can be subjective and the Company will carefully assess the likely effect of the information on the share price, scope of activities and financial position or performance of the Company’s securities, in addition to whether the circumstances or events are measurable and trigger the materiality thresholds in the percentage ratio calculation method set out in the Main LR.

3.2 Maintaining confidentiality of information

The Company will only withhold material information from the public under the following exceptional circumstances:-

- (a) When disclosure would prejudice the ability of the Company to pursue its corporate objectives;
- (b) When the facts are in a state of flux and a more appropriate moment for disclosure is imminent;
- (c) Where the company or securities laws restrict such disclosures.

If material information is being withheld, the Company will ensure that confidentiality is maintained at all times. Anyone privy to the confidential material information shall not divulge the information to anyone else except as is essential in the course of business. If confidentiality of material information is lost or cannot be maintained, the Company will immediately announce the information to Bursa Malaysia.

Each employee should refer to the Code of Ethics and Conduct for guidance to help protect confidentiality and prevent leakage or misuse of confidential information. In certain circumstances, the Company may provide material information which is not publicly available to third parties such as auditors, bankers, lawyers or financial advisors, who require such information to properly execute their mandate. In these circumstances, unless there are adequate existing legal protections, the Company will require the execution of non-disclosure and confidentiality agreements by these persons.

3.3 Significant corporate development

- (a) It is essential that the authorized spokespersons are fully aware of all the Group's major developments that may have an impact on the disclosure process.
- (b) It is the responsibility of the relevant corporate departments and business units to keep the authorized spokespersons, Corporate Affairs and Corporate Secretarial teams fully apprised of all major developments in the Group so as to facilitate determination of materiality, appropriateness and timing for disclosure of such material information, or a decision to maintain confidentiality of such material information;

3.4 Procedures for Disclosure of Material Information

- (a) The Corporate Affairs Director and/or Company Secretaries or the appointed investment banker will draft the announcement in consultation with the Finance Director and/or the Managing Director.
- (b) The Corporate Affairs Director and/or Company Secretaries shall initiate a due diligence exercise involving relevant departments or business units to verify the accuracy of all data and information contained in the announcement and press release.
- (c) All announcements and related press releases shall be approved by the Board before release to Bursa Malaysia and media.
- (d) The Corporate Secretarial department will administer all announcements to Bursa Malaysia at the appropriate time.
- (e) Announcements which are to be released to the media will be administered by the Corporate Affairs Department at the appropriate time.
- (f) If the MD determines that it would assist in having the information better understood and widely disseminated, the Company may request Bursa Malaysia for a suspension in the trading of the Company's securities, so that an announcement can be made during trading hours.
- (g) Once an announcement has been released to Bursa Malaysia, a press release may be circulated to all major newspapers, unless the announcement is of a minor or administrative event. In addition, the announcement and press release will be made available on the Company's website.

- (h) After public dissemination, announcements and press releases will be monitored by the Corporate Affairs Department to ensure accurate media reporting and will take corrective measures, if necessary.

3.5 Financial Reports and Annual General Meeting

Quarterly Reports on interim financial results will be issued to Bursa Malaysia on the day of approval by the Board, in the format required by Bursa Malaysia.

The Corporate Affairs Director shall coordinate the production of the Annual Report including the design, layout, printing and dispatch. The Finance Department is responsible for the financial statements, notes and related information. The Company Secretaries are responsible for compliance with regulations.

The Annual General Meeting is an important forum. The Directors value the opportunity to meet shareholders and to provide them with a better understanding of the Company's affairs. As such, the meeting will be conducted in a manner which permits reasonable enquiry, and the Company will endeavour to provide shareholders with all relevant factual information.

3.6 Clarification, confirmation or denial of market rumours or report

- (a) Whenever the Company becomes aware of any rumours or report, the Company will make due inquiry to ascertain whether:-
- i) the rumor or report contains undisclosed material information; and
 - ii) immediate disclosure is required to clarify, confirm or deny the rumour or report through an announcement to Bursa Malaysia.
- (b) In the case of a rumour or report containing erroneous material information, the Company will immediately make an announcement to Bursa Malaysia to deny or clarify the rumour or report and to provide sufficient supporting information.
- (c) In the case of a rumour or report containing material information that is correct, an announcement setting forth the facts will be announced to Bursa Malaysia.
- (d) In the case of any unusual market activity or price movement, the Company will carry out a due enquiry to determine the cause and issue a clarifying statement to Bursa Malaysia, where necessary.
- (e) In general, the Company will take a proactive approach in addressing rumours or reports or any unusual market activity so as to minimize any uninformed speculation and to promote orderly trading of its securities.

3.7 Communications with Financial Analysts, the Media and the Investing Public

- (a) In dealing with financial analysts, the media and the investing public, the authorized spokespersons shall provide factual, non-speculative and not undisclosed material information relating to its business, operations or financial performance.
- (b) The Company will take action to immediately announce to Bursa Malaysia any non-public information which has been inadvertently disclosed during meetings with financial analysts, the media or the investing public.

- (c) The Company does not discriminate among recipients of information and will provide the same information to both financial analysts and individual investors when requested. The Company will not provide specific “bottom-line” financial expectations for the Company.
- (d) The Company will not comment on opinions made by analysts except where a factual error is made.
- (e) The Company may be requested to verify or review factual information and to validate assumptions. The authorized spokesperson will give ONLY verbal guidance in these situations, and such comments will be limited to pointing out factual errors or inaccuracies or omissions with reference to publicly available information. The Company will not endorse any analyst’s report nor will it influence the opinion or conclusion of an analyst.
- (f) The Company may provide forward-looking information, such as prospects to the investing public to assist in the evaluation of the Group and its future performance provided that it is not undisclosed material information. However, it will not provide any prediction on future earnings. Any information provided will be consistent with and complementary to information that has been otherwise provided via timely disclosure documents such as annual reports, news releases, quarterly reports, etc.
- (g) Any document containing forward-looking information will be accompanied by a disclaimer cautioning the reader that there are risks and uncertainties that can cause actual results to differ materially from what is indicated in the document. When making oral forward-looking statements, reasonable care will be taken to also include appropriate reference to such risks and uncertainties in the discussion.
- (h) A record of all briefings, including handouts will be maintained by the Corporate Affairs Department.

3.8 The Company’s Website

- (a) The Company’s website (www.hsl.com.my) provides an avenue for shareholders and the investing public to access information pertaining to the Group.
- (b) All disclosure and material information documents of interest to investors will be made available and accessible by the public on the website as soon as they are released to the public.
- (c) The Corporate Affairs Department is responsible for ensuring that the information contained in the website is accurate and kept up-to-date. Any material change in information must be updated within 24 hours.

3.9 Corporate advertisement and marketing material

The Corporate Affairs Director is responsible for monitoring and approving corporate advertising as well as marketing materials to ensure statements are accurate.

3.10 Restriction on Insider Trading

- (a) Any person who has access to material information of the Group, its financial condition and its operations, is regarded as an insider. Material information which is in the possession of an Insider and has not been disclosed to the investing public is Inside Information.
- (b) Insiders may not deal in the Company’s securities while in possession of Inside Information, nor may they pass on that information or provide investment advice to another person who is dealing in the Company’s securities.

- (c) The Company has published a Code of Ethics and Conduct which applies to all employees and it contains provisions for the proper regulation and control of the trading in the Company's securities by employees who are regarded as insiders.
- (d) The relevant provisions of the Capital Markets and Services Act 2007 apply to all insiders.
- (e) From time to time, the Company Secretaries will advise the Directors and principal officers on the trading restrictions in the Company's securities in accordance with the provisions of the Main LR.

4. CONSEQUENCES FOR NON-COMPLIANCE WITH THE DISCLOSURE POLICY

An employee who violates the Corporate Disclosure Policy may face disciplinary action including the termination of employment.

If the Company discovers that an employee has violated certain securities laws, it may also refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

5. CONTACT DETAILS

Corporate Affairs Director / Company Secretaries
HOCK SENG LEE BERHAD
Telephone No.: 082-332755
Facsimile No.: 082-484653

6. APPROVAL

This Corporate Disclosure Policy has been adopted by the Board of HSL and is subject to review with any amendments to be determined by the Managing Director.

HOCK SENG LEE BERHAD

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Updated 29 November 2018