

KIM HIN INDUSTRY BERHAD (18203-V)

CORPORATE DISCLOSURE POLICY

23 May 2014

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Introduction

The Board of Directors of Kim Hin Industry Berhad (“the Company”) is committed to provide accurate, clear, timely, factual, informative, consistent and complete disclosure of material information pertaining to the Company’s performance and operations to the shareholders, stakeholders, analysts, journalists, the investing public or other persons in conformity with any and all applicable legal and regulatory requirements and ensuring equal access to such information to avoid an individual or selective disclosure.

This Disclosure Policy applies to all Directors, management, officers and employees of the Company and its subsidiaries. It outlines the Company’s approach toward the determination and dissemination of material information especially price-sensitive information, the circumstances under which the confidentiality of the information will be maintained, and restrictions on insider trading.

In formulating this policy, the Company has taken into account the recommendations contained in the Malaysian Code on Corporate Governance 2012 and the disclosure obligations contained in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“MMLR”).

Objectives

The objectives of the Disclosure Policy are as follows:

- i. To raise awareness and provide guidance to the Board of Directors (“the Board”), management, officers and employees on the Company’s disclosure requirements and practices;
- ii. To provide guidelines and policies in disseminating corporate information to, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public;
- iii. To ensure compliance with all applicable legal and regulatory requirements on disclosure of material information.

Administration of Disclosure Policy

The Company designates a limited number of spokespersons (“Authorised Spokespersons”) responsible for communication with the investment community, regulators or the media.

The list of the Authorised Spokespersons is as follows:

Primary Spokespersons

- (a) Executive Chairman
- (b) Group Managing Director
- (c) Group Executive Director

Secondary Spokespersons

- (a) Chief Financial Officer
- (b) Company Secretary

Note:

- i. The Secondary Spokespersons are only authorised to communicate or response with outsider with prior consent or being authorised by the Primary Spokespersons or the Board.*
- ii. In the absence of any Authorised Spokesperson (s), the Authorised Spokesperson may, from time to time, designate others within the Company to speak on behalf of the Company or to respond to specific inquiries.*
- iii. There could be blanket delegation on routine matters.*

The Authorised Spokespersons are authorised to deal with all aspect of the following matters:

- Company’s operations;
- Financial positions;
- Future prospects;
- Strategies;
- Governance;
- Management; and
- Products and services.

The Authorised Spokesperson shall not disclose material information that has no been previously made public. He/she may, from time to time, respond to specific inquiries form the investment community or media.

Procedures and Practices on Corporate Disclosure

Announcement of material information and press release

After the approval from the Board on releasing of material information, an announcement is made to Bursa Malaysia Securities Berhad (“Bursa Securities”). If necessary, meetings or presentations for investors and analysts will be conducted.

Withholding confidential information

The Company may, in exceptional circumstances, temporarily refrain from publicly disclosing material information, provided that complete confidentiality is maintained.

The following are some exceptional circumstances where disclosure may be temporarily withheld:

- i. When immediate disclosure would prejudice the ability of the Company to pursue its corporate objectives;
- ii. When the facts are in a state of flux and a more appropriate moment for disclosure is imminent; and
- iii. Where company or securities laws may restrict the extent of permissible disclosure before or during a public offering of securities or a solicitation of proxies.

Responding to market rumours or reports

Whenever the Company becomes aware of any rumour or report, true or false, that contains material information, the Company will make due inquiry and immediately publicly clarify, confirm or deny the rumour or report through Bursa Securities.

The Company will publicly clarify any rumour or report which is in any form whatsoever and howsoever including that by word-of-mouth and not limited to an article or otherwise, published in a newspaper, newswire, magazine, a broker’s market report or any other publication.

In the case of a rumour or report containing erroneous material information which has been circulated, the listed issuer will immediately announce to Bursa Securities a denial or clarification of the rumour or report and provide facts sufficient to support the denial or clarify any misleading aspects of the rumour or report.

In the case of a rumour or report containing material information that is correct, an announcement setting forth the facts must be prepared for public release, which must include but not limited to, an indication of the state of negotiations or corporate plans in

the rumoured area. Such announcements are essential even if the matter has yet to be presented to the Company's Board of Directors for consideration.

In the case of a rumour or report predicting future sales, earnings or other quantitative data, the Company normally will not respond to the same. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to the Company, the Company will respond promptly to the supposedly factual elements of the rumor or report as required under paragraph 9.09 and 9.10 of the MMLR. In addition, the Company will include in the announcement a statement to the effect that the Company has made no such prediction and currently knows no facts that would justify making such a prediction.

Unusual Market Activity

Where there is unusual price movement, trading activity, or both ("unusual market activity") occurs, the Company will immediately undertake a due enquiry to seek the cause of the unusual market activity and issue a clarifying announcement.

Communications with Financial Analysts, Media and Investing Public

Only the Authorised Spokespersons and persons who are authorised by the Authorised Spokespersons are permitted to participate in briefing sessions with financial analysts, media and investing public on behalf of the Company.

Briefing materials/information from such briefing sessions will be made available on the Company's website, if appropriate after the presentation is made.

The Company will provide only factual and non-speculated information during such briefings.

If material non-public information is inadvertently disclosed at such a briefing, the Company will immediately announce the information to Bursa Securities.

Restrictions on Insider Trading

Under Section 188(1) of the Capital Market & Services Act 2007, a person is an "insider" if that person:

- 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 the securities; and
- ii. Knows or reasonably ought to know that the information is generally not available.

Insider who possesses inside information is prohibited from trading in the Company's securities until after the information has been publicly disclosed.