



LEONG HUP INTERNATIONAL BERHAD

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CORPORATE DISCLOSURE POLICIES & PROCEDURES

19 APRIL 2022

1. Introduction

In formulating this policy, Leong Hup International Berhad (“LHI” or “the Company”) has taken into account the recommendations contained in the Malaysian Code on Corporate Governance (MCCG) 2017 and its disclosure obligations contained in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

LHI is committed to provide accurate, clear, balanced, unambiguous and timely disclosure of material information pertaining to the Company’s performance and operations to shareholders, media, investing community and other stakeholders.

LHI will ensure material information concerning the Company is made as freely and widely as practicable and shareholders, media and the investing community have equal access to such information to avoid individual or selective disclosure, subject to compliance with the relevant rules and regulations. The Company encourages exchange of views with its principal stakeholders and will organise its communications to facilitate such dialogue.

This Corporate Disclosure Policy applies to Directors and employees of the Company and its subsidiaries (“LHI Group” or the “Group”). It outlines the Company’s approach towards the determination and dissemination of material information especially price-sensitive information, the circumstances under which the confidentiality of the information will be maintained, and prohibitions on insider trading. It also sets out the internal guidelines to facilitate implementation and consistent disclosure practices across the LHI Group.

2. Objectives

This policy aims to:-

- Create awareness and provide guidance to the Board of Directors (“Board”) and employees of the Group on the Company’s disclosure obligations and practices;
- Provide policies and guidelines in disseminating information to, and in dealing with shareholders, financial analysts, media, regulators, the investing community and other stakeholders;
- Ensure compliance with all applicable legal and regulatory requirements on disclosure of material information; and
- Develop and maintain a positive relationship with all the shareholders and stakeholders through active two-way communication.

3. Procedures and Practices on Corporate Disclosures

(a) Material information

- (i) Material information is any information about the Group which is reasonably expected to have a material effect on:-
- The market price or value of the Company’s securities; or activity in the trading of its securities; or
 - The decision to buy, sell or continue holding the Company’s securities which is made by an existing holder of those securities, or someone considering an investment in those securities.

- (ii) The events which may require immediate disclosure are set out in Paragraph 9.04 of the MMLR including all amendments thereto from time to time by Bursa Securities and/or other regulators.
 - (iii) Materiality can be subjective and the Company will take the approach of assessing the likely effect of the information on the 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 would trigger the relevant thresholds in the percentage ratio calculations set out in the MMLR.
 - (iv) Without prejudice to the generality of what amounts to material, (save for related party transactions), the Company has determined the threshold for the disclosure of material information, by way of an announcement to Bursa Securities, for the transactions provided in Appendix I.
 - (v) The threshold for Related Party Transaction and Recurrent Related Party Transaction are governed by Chapter 10 of the MMLR.
 - (vi) LHI must immediately announce to Bursa Securities the events set out in Paragraph 9.19 of the MMLR and all amendments thereto from time to time by Bursa Securities and/or other regulators.
- (b) Responsibility to report on significant corporate developments
- (i) It is essential that the Group Chief Executive Officer and Executive Directors be fully informed on all the Company's developments that could potentially impact the disclosure process.
 - (ii) It is the responsibility of the Group Chief Executive Officer to keep the Executive Directors fully apprised of all significant developments in the Company and Group so as to:-
 - Facilitate determination of materiality, appropriateness and timing for public disclosure of the information, or whether the information should remain confidential;
 - Ensure appropriate understanding of significant developments and updates which may be relevant to on-going communication with the investing community; and
 - Avoid denying significant developments when in fact, such developments are occurring.
- (c) Responsibilities and Procedures for Disclosure of Material Information
- (i) The Company Secretary, Finance Department or the appointed adviser will draft the announcement to ensure compliance with the MMLR. The Company's Finance Department is responsible to review and verify the accuracy of financial information contained in the announcement.
 - (ii) All announcements will be circulated to the Board of Directors for comments and approval.
 - (iii) Subsequent to the Board's approval, signing approval by the Group Chief Executive Officer or Chief Financial Officer or any designated persons will be obtained before the announcement is released.

- (iv) Announcements to be released to the media will be released through the Investor Relations (“IR”) Department. The IR Officers have the overall responsibilities to ensure that the material information via news or press release is clearly and effectively communicated to the public.
- (v) After the announcement has been released to Bursa Securities, such announcement or news release will be made available and accessible on the Company’s website. It may also be released to major newspapers and newswire services to ensure the widest possible public dissemination.
- (vi) Upon public dissemination, the announcement or news release will be monitored by the IR Department to ensure accurate media reporting and take corrective measures, if necessary.

All disclosures made must be in a reader-friendly format allowing for easy understanding by all parties.

(d) Trading Halt and Suspension

In the event the Board believes that a trading halt is necessary to maintain efficient trading of the Company’s securities and having the news or material information better understood and widely disseminated, the Company may request Bursa Securities for a suspension in the trading of the Company’s securities, so that an announcement can be made.

4. IR Structure and Responsibility

The Company has established the following IR structure and responsibility for the implementation of IR programme and strategy:-

Primary Spokespersons:

- Group Chairman
- Group Chief Executive Officer
- Group Chief Financial Officer

The Group Chairman, Group Chief Executive Officer and Group Chief Financial Officer have been appointed to communicate with all audience constituents, providing information, data and analysis and responding to questions concerning all aspects of the Group’s operations and financial position, its future prospects and its strategies. They may also discuss matters relating to the Group’s governance and management, as well as its products and services, and initiatives.

Secondary Spokespersons

- Country Heads
- Head of IR

The Secondary Spokespersons may only communicate to audience constituents, information already in the public domain, unless they are authorised by the Primary Spokespersons to undertake broader communications.

Officers and personnel who have not been appointed as Authorised Spokespersons shall not respond under any circumstances to external inquiries. All such inquiries should be referred to the appropriate Authorised Spokesperson(s). If there is any doubt about the appropriateness of supplying information to an external party, the officers and personnel should contact Authorised Spokespersons for advice.

	AUTHORITY	RESPONSIBILITY (in relation to this policy)
PRIMARY SPOKESPERSONS	Board of Directors	Overall responsibility for the Company's businesses, approves financial statements, corporate strategies and major investments.
	Audit and Risk Committee	Review compliance with this policy, including financial statements, risk management, internal controls and etc.
	Group Chairman	Responsible for instilling good corporate governance, practices, leadership and the effectiveness of the Board.
	Group Chief Executive Officer	Responsible for implementing policies and decisions of the Board, oversees the operations and development of the business and corporate strategies.
	Group Chief Financial Officer	Responsible for financial control and financial statements.
	Senior Independent Non-Executive Director	Handles feedback and enquiries from shareholders and the investing community.
	Company Secretary	Responsible for regulatory compliance, liaison and communication with the stock exchange, prepares and releases relevant announcements to the public.
SECONDARY	Country Heads	Responsible for their respective business operations.
	Head of IR	Handles all investor, media and community relations, press releases, website and publications.

5. Mode of Disclosure

The Company makes use of a broad range of communication channels to disseminate information regarding the Company. These would include:

- (i) Electronic facilities provided by Bursa Securities;
- (ii) Press releases;
- (iii) Corporate website;
- (iv) Emails;
- (v) Oral statements made in group meetings and individual meetings with members of the investing community (which include analysts, investors, investment dealers, brokers, investment advisers and investment managers) or with employees;
- (vi) News conferences, road shows, industry events and investor conferences; and
- (vii) Annual General Meetings / Extraordinary General Meetings.

6. IR Programme and Strategies

The Company has the following programmes and strategies in place to bridge and enhance the relationship with investors or potential investors:-

(a) Announcement of Material Information and Press Release

After the approval is given for release of material information and press release in line with the chain of authority and responsibility, an announcement made to Bursa Securities and/or a company press release will be issued to all major newspapers.

(b) Annual General Meeting (“AGM”) or Extraordinary General Meeting (“EGM”) or Press Conference

The AGM / EGM / Press Conference is held to communicate with the shareholders on the Company’s financial results and performance, strategy and outlook, proposed corporate exercises, operational matters and other relevant matters which are of interest to shareholders.

In line with the commitment to equality of access to information, any new presentation materials at the AGM / EGM will be posted on the Company’s website.

(c) Annual and Quarterly Financial Reports

The Annual Report and quarterly financial reports are submitted to Bursa Securities and are also available on the corporate website of the Company.

(d) Meetings or Interviews with Investors, Analysts and Media

The Authorised Spokespersons will meet the investors, analysts or media to update them on the Company’s performance, strategy, development, etc.

(e) Participate in IR Web Portal

The Company has established a corporate website including the creation of an IR section within the corporate website to reach out to current and potential investors.

7. Rumours and Reports

- (a) Should the Company become aware of any rumour or report, true or false, which may contain material information, the Company will make due inquiry and if appropriate, immediately or as soon as possible publicly clarify, confirm or deny the rumour or report through Bursa Securities.
- (b) Where appropriate or deemed necessary, the Company will publicly clarify any rumour or report in any form whatsoever and howsoever, including by word-of-mouth and not limited to a specific article or otherwise, published in a newspaper, newswire, magazine, analyst's market report, internet or any other publication.
- (c) In the case of a rumour or report containing erroneous material information which has been circulated, the Company will, if deemed necessary or appropriate, immediately announce to Bursa Securities a denial or clarification of the rumour or report and provide facts sufficient to support the denial or to clarify any misleading aspects of the rumour or report.
- (d) In the case of a rumour or report containing material information that is correct, an announcement setting forth the facts will be prepared for public release, which will include but shall not be limited to, an indication of the state of negotiations or of corporate plans which are the subject of the rumour.
- (e) In the case of a rumour or report predicting future sales, earnings or other quantitative data, the Company will not normally respond to the same.
- (f) However, if such report is based on or contains erroneous information, or is wrongly attributed to the Company, the Company will respond promptly to the relevant factual elements of the rumour or report as required under Paragraphs 9.09 and 9.10 of the MMLR.
- (g) The Group Chief Executive Officer will also recommend an appropriate course of action where the Company or an employee of the Company or Group is the apparent source of the rumour.

8. Maintaining Confidentiality

Any employee privy to confidential corporate information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business or required by law (provided always the employee must give prior notification to the Company if he/she is compelled by law to make disclosure). Efforts will be made to limit access to such confidential information to only those who "need to know" the information.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone

else. Management shall ensure that such outside parties confirm their commitment to non-disclosure under a written confidentiality agreement.

The Company will only withhold material information from the public for legitimate business or regulatory purposes. These include:-

- when immediate disclosure would prejudice the ability of the Company to pursue its corporate business objectives;
- when the facts are in a state of flux and a more appropriate timing for disclosure is imminent; and
- where company or security laws restrict such disclosure.

In the event that material information is or is believed to have been inadvertently disclosed to third parties or where the material information has become generally available through the media or otherwise, the Company will immediately announce the information to Bursa Securities, which may be followed by a press release and/or other communication modes.

Notwithstanding the above, the Company should avoid putting itself in a position where it is bound by confidentiality obligations that may defeat its obligation to disclose material information on an immediate basis.

9. Unusual Market Activity

Where unusual price movement, trading activity, or both (“unusual market activity”) occurs, the Company shall immediately undertake due enquiry to seek the cause of unusual market activity in its securities, regardless of the issuance of unusual market activity query by Bursa Securities. The Company shall consider, in particular, the nature of any information concerning the Group which may have accounted for the unusual market activity.

Generally, if the Company determines that the unusual market activity results from material information that has already been disclosed, no further announcement or response is required. If the unusual market activity results from a leak of previously undisclosed information, the Company shall disclose the information in accordance with MMLR. If the unusual market activity results from a rumour or report, the Company shall respond in accordance with MMLR as well as this Policy.

If the Company is unable to determine the cause of the unusual market activity, the Company shall announce to Bursa Securities that there have been no undisclosed developments which accounted for the unusual market activity.

10. Forward-looking information

The Company may provide forward-looking comment which may include prospects, revenue, profits estimates, forecasts, projections or internal targets or key performance indicators which are based on historical and publicly disclosed data provided that it has been reviewed and approved by the Board.

The forward-looking information shall be accompanied by a disclaimer cautioning investors of the risks and uncertainties which may cause actual results and developments to differ materially from those envisaged in the forward-looking information.

11. Insider Trading

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 not generally available.

Insiders must not trade on the basis of material information which is not known to the investing public.

The relevant provisions of the Capital Markets and Services Act 2013 apply to all Insiders.

12. Periodic Review

The policy shall be reviewed periodically and may be amended by the Board as it deems appropriate.

This Corporate Disclosure Policies & Procedures was last reviewed by the Board on 19 April 2022 and is made available for reference on the Company’s website, www.leonghupinternational.com.

APPENDIX I

(Pre-Determined Threshold for Announcement to Bursa Securities)

(Important: Notwithstanding the pre-determined threshold, the materiality test under Paragraph 9.03(2) of the MMLR remains applicable)

1. Contract Awarded to the Group and Associate Companies

(a) Triggering Event

- (i) Receipt and acceptance of a written documentation from the client or the client's authorised representative confirming the award of the contract and the document sets out the agreed terms and conditions.
- (ii) Example of documents: letter of award and contract / agreement.

(b) Threshold

Value of contract is equivalent to an amount \geq 10% of the Group's total annual revenue (latest audited accounts).

2. Terminated Contracts

(a) Triggering Event

Receipt of a written documentation from the client or the client's authorised representative terminating the contract.

(b) Threshold

Value of unbilled fee is equivalent to an amount \geq 10% of the Group's total annual revenue (latest audited accounts).

3. Litigation / Arbitration (against the Group and/or Associate Companies)

(a) Triggering Event

Receipt of Originating Summons or Writ of Summons / Written Notification of Arbitration Proceedings.

(b) Threshold

Potential exposure based on the opinion provided by the appointed legal firm exceeds 5% of the Company's annual revenue (latest audited accounts).

4. Announcement on Transactions

(a) Triggering Event

Upon the signing of any document confirming the transaction.

(b) Threshold

Any one of the percentage ratios (as listed in Paragraph 10.02(g) of the MMLR) and requirements under Part D and Part E of the MMLR.