

CORPORATE DISCLOSURE POLICIES AND PROCEDURES (“CDPP”)

Purpose of the CDPP

The Board of Directors (“the Board”) of Kotra Industries Berhad (“the Company”) and its subsidiaries (“the Group”) are committed to provide accurate, comprehensive and consistent disclosure of all relevant information concerning the Company on a timely basis. The information is directed to its shareholders, stakeholders, regulators and investors. The CDPP also acts as a guide to the Board to achieve complete disclosure of the information without any partiality to selective disclosure.

In adopting this policy, the Company has taken into account the recommendation in the Malaysian Code of Corporate Governance (“MCCG”), the disclosure obligations contained in the Main Market Listing Requirements (“MMLR”) and the Corporate Disclosure Guide (“CDG”) published by Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

Objectives

The primary objectives of the CDPP are:

- a) to ensure compliance with the applicable requirements on disclosure of material information set by the regulators;
- b) to foster good relations with the investing community based on integrity and transparency;
- c) to provide guidelines in disseminating information to the media, investment community and other external parties;
- d) to formalise disclosure policies, procedures as well as to adopt a consistent approach on disclosure practices throughout the Group; and
- e) to ensure the persons to whom the CDPP applies understand their obligations to preserve information confidentiality.

Scope of application

The CDPP applies to the conduct of all Directors, Management, employees and Authorised Spokesperson of the Group. It covers, but not limited to the following:

- a) disclosure of documents filed with, and announcements made to Bursa Malaysia, Securities Commission of Malaysia (“SC”) and other regulators or authorities, written statements made in the Company’s annual report, financial statements, quarterly reports, press releases, letters, circulars to shareholders, electronic mail communication and information on the Company’s corporate website; and
- b) oral statements made in group meetings, individual meetings, telephone conversations, interviews and press conferences with financial analysts, investment advisors, investors and media.

Dissemination of the CDPP

The internal website of the Company provides an avenue for all Directors, Management, employees and Authorised Spokesperson of the Group to access the copies of the CDPP. Whenever significant changes are made, a revised version of the CDPP will be posted and made available in the website as soon as possible.

Disclosure Authorisation

All announcements to Bursa Malaysia and/or SC are approved by the Board. The Board, assisted by the Managing Director, Chief Financial Officer and the Company Secretary, shall be responsible for the following:

- a) to ascertain whether information constitutes material information is within the scope of the of the MMLR;
- b) to review and approve contents to be provided to the media, investment community and other external parties, including the contents to be published in the Investor Relations section of the Company's corporate website;
- c) to ensure material information is disclosed in a timely and accurately in accordance with applicable laws and regulations;
- d) to respond immediately to rumours or reports and unusual market activity as provided under Paragraphs 9 and 10 of MMLR; and
- e) to monitor adherence to the CDPP, reviewing, assessing and implementing suitable remedial actions in relation to any violation of the CDPP.

Decisions shall be made by majority of the Board members.

Authorised Spokesperson

The Managing Director or his designate shall be the Authorised Spokesperson for the Group.

The Authorised Spokesperson:

- a) may clarify on information which was released by the Company to Bursa Malaysia and/or SC but shall not disclose or comment on any material information that has not been released to Bursa Malaysia and/or SC; and
- b) may respond to all enquiries from the media, investment community or other external parties.

The Authorised Spokesperson should practice caution when commenting and communicating with the media, the investment community or other external parties to avoid speculation or rumours.

Material information and immediate disclosures

- a) Material information

As per **Paragraph 9.03(2)** of MMLR, information is considered material, if it is reasonably expected to have a material effect on the following:

- the price, value or market activity of any of the Company's securities; or
- the decision of a holder of securities of the Company or an investor in determining his/her choice of action.

Reference shall be made to **Appendix 1** for examples of material information.

- b) Immediate disclosure of material information

The Managing Director, Chief Financial Officer and Company Secretary, shall assist the Board in exercising judgment when deciding whether the information in question is material and requires immediate disclosure.

Reference shall be made to **Appendix 2** for events requiring immediate disclosure to Bursa Malaysia and **Appendix 3** for examples of events which may require immediate disclosure in line with Paragraphs 9.19 and 9.04 of MMLR.

c) Withholding of material information

Disclosure of material information may be temporarily withheld by the Company only under situations as listed in the **Paragraph 9.05(3)** of MMLR, providing confidentiality is maintained.

d) Maintaining confidentiality

The Company shall maintain strict confidentiality of the material information that is temporarily withheld.

Public dissemination

The material information shall be disclosed and disseminated by the Company in a most effective manner to the public. Disclosure of material information shall not be made on an individual or selective basis to the media, investment community or any other external party, except when the information has been fully disclosed and disseminated to the public previously.

Any material information must be disclosed and announced first to Bursa Malaysia and/or SC. Therefore, the Company shall not release any material information to the media, investment community or any external parties, even on an embargoed basis, until the information is announced to Bursa Malaysia and/or SC.

Clarification, confirmation or denial of rumours or reports

Whenever the Company is aware that a report or rumour which contains error in the material information is being circulated, an immediate announcement shall be made to Bursa Malaysia to deny or clarify the report or rumour with sufficient facts provided to support the denial or clarification.

However, if a report or rumour contains material information that is correct, the Company shall respond promptly by making an announcement for public release, supported by facts and including, but not limited to an indication of the state of negotiation or of corporate plans in the rumoured area.

The Company shall not comment to any report or rumour predicting earnings, sales forecast or other quantitative data. In the event if such report or rumour contains inaccurate information, or if the Company is aware of being wrongly attributed, the Company shall respond immediately to the supposedly factual elements of the report or rumour as required above. The Board undertakes this responsibility, with assistance from the Executive Directors and the Company Secretary.

Response to unusual market activity

When there is price movement, trading activity, or both (“unusual market activity”), the Company shall enquire immediately to determine the cause of unusual market activity in its securities, irrespective of the issuance of unusual market activity query by Bursa Malaysia. The Company shall consider, in particular, the nature of any information concerning the Group which may have attributed for the unusual market activity that:

- a) has recently been publicly disclosed;

- b) has not been publicly disclosed, in which case the unusual market activity may signify a leak of information; or
- c) is the subject matter of a rumour or a report.

In the case where the Company establishes that the unusual market activity was caused by material information that has already been disclosed, no further announcement or response is required normally. If a leak of previously undisclosed information lead to the unusual market activity, the Company shall disclose the information in question in accordance with MMLR. If the unusual market activity results from a report or rumour, the Company shall respond in accordance with MMLR and the CDPP.

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

Insider trading

Pursuant to the provisions of Capital Markets and Services Act, 2007 and the Companies Act, 2016, a person is an “insider” if that person:

- a) 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 securities; and
- b) knows or ought reasonably to know that the information is not generally available.

The Company and parties who are regarded as insiders are prohibited from trading on the basis of material information which is not known to the investing public, unless it has been publicly disclosed. Insiders shall not tip off or inform another person of such material information, regardless whether the person plans to trade on such information.

Closed Period

“Closed Period” is defined as a period commencing thirty (30) calendar days before the targeted date of announcement up to the date of the announcement of the Company’s quarterly results to Bursa Malaysia.

During Closed Periods, the Authorised Spokesperson is prohibited from commenting on the current period earnings and financial assumptions. Communications shall be limited to commenting on publicly available or non-material information.

Forward-looking information

The Company may convey its future direction to the public, with the intention of assisting the market to evaluate and accurately value the Company’s securities. The forward-looking information does not constitute undisclosed material information and is subjected to the Board’s review and/or approval. The Company shall only disclose information such as prospects, revenue, profits estimates, forecasts, projections or internal targets or key performance indicators which are based on historical and publicly disclosed data.

Such information shall be accompanied by a disclaimer that cautions investors on the risks and uncertainties which may cause actual results and developments to differ considerably from those projected in the forward-looking information. The Authorised Spokesperson shall exercise care and include such disclaimer when providing forward-looking statements verbally.

Dealings with the media, investment community and other external parties

Only the Company's Authorised Spokesperson is allowed to participate in briefing sessions, meet the media, investment community or other external parties, including other market professionals on behalf of the Company as well as initiate contacts with them and respond to their calls.

When communicating with the media, investment community and other external parties, the Company's Authorised Spokesperson shall only divulge factual and non-speculative information which has been reviewed and/or approved by the Board. The Authorised Spokesperson shall not reveal any confidential material information.

The Authorised Spokesperson shall not comment or respond to unexpected questions that involve or may involve the disclosure of previously undisclosed material information. If the questions are deemed appropriate, the Authorised Spokesperson will take the questions on notice for further action as determined by the Board.

Procedures for disclosure of material information

Any releases of announcement of material information to Bursa Malaysia and/or SC shall be managed by the Board through the Company Secretary.

All announcements are subjected to the Board's approval before they are released to Bursa Malaysia and/or SC by the Company Secretary.

A trading halt will be instituted when the Board believes it is necessary to maintain efficient trading of the Company's securities and having the content of the news or material information to be understood better and broadly circulated. An announcement shall be made once after the Company, via the Company Secretary, requests Bursa Malaysia for a suspension in the trading of the Company's securities.

Misrepresentation of information

The Board shall be immediately informed by any person to whom the CDPP applies, in the event of the following:

- a) misrepresentation or suspected misrepresentation of information publicly disclosed by the Company;
- b) there has been or may have been a failure to make timely disclosure of material information; or
- c) any alleged breach or violation of the policies and procedures set out in the CDPP.

A reasonable investigation shall be carried out by the Board on the notified matter and required corrective action shall be taken to ensure prompt disclosure in accordance with MMLR and the CDPP.

Approval and Revision of the CDPP

The Board shall review the CDPP on a regular basis or when a revision is necessary due to changes in regulatory requirements. Any revision made to the CDPP shall be approved by the Board in writing. The Company Secretary shall file and act as the custodian of the CDPP.

Appendix 1

Material information comprises any or a combination of the following:

- a) Information concerning the Group's assets and liabilities, business, financial condition or prospects;
- b) Information relating to major disputes with employees, suppliers, customers and others;
- c) Information relating to any event affecting the present or potential dilution of the rights or interests of the Company's shareholders; or
- d) Information relating to any event materially affecting the size of the public holding of the Company's securities.

Appendix 2

Guided by the **Paragraph 9.19** of MMLR, the following is a non-exhaustive list of events and/or activities which require immediate announcement to Bursa Malaysia:

1. Any intention to fix books closing date and its reason, stating the books closing date, which must be at least 10 market days after the date of announcement to Bursa Malaysia;
2. Any recommendation or declaration of a dividend or distribution which complies with the following:
 - a) the announcement must include:
 - i) the amount per share;
 - ii) the mode (in cash, by shares or both) and date of payment which is within 1 month from the books closing date; and
 - iii) where a Dividend Reinvestment Scheme is applicable to that dividend, to state the same and the amount of the dividend per share which will be subjected to the scheme;
 - b) where a dividend or distribution is not taxable in the hands of shareholders, this must be stated in the announcement to Bursa Malaysia and on the dividend or distribution advice to shareholders; and
 - c) where there is a variation in an interim or a final dividend or distribution for the corresponding period in the previous year, the Directors must state the reasons for the variation at the time of the recommendation or declaration;
3. Any recommendation or decision that a dividend will not be declared;
4. Any change in the terms of a debt security or a convertible security;
5. Any re-organisation of the group structure of the Company;
6. Any general meeting (other than a meeting convened to pass a special resolution or an annual general meeting), at least 14 days before such meeting is held, and in the case of a meeting convened to pass a special resolution at least 21 days or to hold an annual general meeting, at least 28 days before such meeting is held. The announcement must include the date of the Record of Depositors which the Company requires for purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at the general meeting;
7. All resolutions put to a general meeting of a Company are by way of poll and immediately after such meeting whether or not the resolutions were carried, the announcement must include the total number of votes cast on the poll (together with the percentage) in favour of and against the resolution;
8. Any change of address or telephone number and/ or facsimile number of the registered office of the Company or of any office at which the register of securities of the Company is kept;
9. Any proposed change of the name of the Company;
10. Any change in the financial year end of the Company;
11. Any change in the composition of the Board of Directors of the Company. An announcement to Bursa Malaysia:
 - a) on the appointment of a Director must include the information contained in Part A of Appendix 9A of MMLR; or

- b) on the cessation of office of a Director must include the reasons given for the cessation, including but not limited to, any information relating to his disagreement with the Board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the Company;
12. Any change in the composition of the Audit Committee of the Company. An announcement to Bursa Malaysia on the appointment of Audit Committee members must state whether the appointees are Independent Directors;
 13. Any change or proposed change in the Chief Executive of the Company. An Announcement to Bursa Malaysia:
 - a) on the appointment of the Chief Executive must include the information contained in Part B of Appendix 9A of the MMLR of Bursa Malaysia; or
 - b) on the cessation of office of the Chief Executive must include the reasons given for the cessation, including but not limited to, any information relating to his disagreement with the Board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the Company;
 14. Any change or proposed change in the Chief Financial Officer of the Company. An announcement to Bursa Malaysia:
 - a) on the appointment of the Chief Financial Officer must include the information contained in Part B(A) of Appendix 9A of the MMLR; or
 - b) on the cessation of office of the Chief Financial Officer must include the reasons given for the cessation, including but not limited to, any information relating to his disagreement with the Board and a statement as to whether or not there are any matters that need to be brought to the attention of the shareholders of the Company;
 15. Any change in the Company Secretaries or external auditors of the Company. An announcement to Bursa Malaysia on the cessation of office of the external auditors must include the reasons for the cessation where there are written representations or explanations for such cessation, including but not limited to, a statement whether or not there are any matters that need to be brought to the attention of the shareholders of the Company;
 16. Any change in the independent adviser appointed by the Company pursuant to the MMLR. An announcement on the cessation of service of the independent adviser must include the reasons given for the cessation, including but not limited to, a statement whether or not there are any matters that need to be brought to the attention of the shareholders of the Company;
 17. Any proposed alteration of the Constitution of the Company;
 18. Any notice relating to substantial shareholding which the Company has received;
 19. Any notice referred to in Section 219(1) of the Companies Act, 2016 which the Company has received in relation to the Company's securities listed on Bursa Malaysia;
 20. Any commencement of winding-up proceedings or winding-up order made against the Company or any of its subsidiaries or major associated companies. "Commencement of winding-up" has the meaning given under the Companies Act, 2016. An announcement to Bursa Malaysia pertaining to the winding-up must include the information contained in Part C of Appendix 9A of the MMLR of Bursa Malaysia;

21. The appointment of a receiver, manager or receiver and manager, liquidator (which includes a provisional liquidator) or special administrator or such other person of a similar capacity over the Company, any of its subsidiaries or major associated companies or any part of the properties of the Company, any of its subsidiaries or major associated companies. An announcement pertaining to the appointment of a receiver, manager or receiver and manager or such other persons of a similar capacity must include the information contained in Part D of Appendix 9A of the MMLR. An announcement on the appointment of the liquidator (which includes a provisional liquidator) or special administrator must include the information contained in Part E of Appendix 9A of the MMLR;
22. The procurement of a court order restraining proceedings against the Company or any of its subsidiaries or major associated companies under the Companies Act, 2016. An announcement on the restraining order must include the information contained in Part F of Appendix 9A of the MMLR;
23. Any transaction requiring an announcement to be made under Chapter 10 of the MMLR;
24. Any acquisition (including subscription) of shares in another corporation or any other event which results in such corporation becoming a subsidiary of the Company;
25. Any disposal of shares in another corporation or any other event which results in such corporation ceasing to be a subsidiary of the Company;
26. Any acquisition (including subscription) of shares in another listed issuer or any other event which results in the holding being 5% or more of the issued and paid-up capital (excluding treasury shares) of that listed issuer;
27. Any disposal of shares in another listed issuer or any other event which results in the holding falling below 5% of the issued and paid-up capital (excluding treasury shares) of that listed issuer;
28. Any proposed issue or offer of securities by the Company;
29. Any scheme of compromise, arrangement, amalgamation or reconstruction;
30. Any variation of the rights attaching to a class of securities of the Company;
31. The level of subscription in relation to an issue or offer of securities by the Company;
32. The decision to allocate excess securities in relation to a rights issue by the Company and the basis of such allocation;
33. Any change to the utilisation of proceeds raised by the Company from the issuance of securities that deviates by 5% or more from the original utilisation of proceeds;
34. A subdivision of shares or consolidation by the Company;
35. Any deviation of 10% or more between the profit after tax and minority interest stated in a profit estimate, forecast or projection previously announced or disclosed in a public document and the announced unaudited financial statements, giving an explanation of the deviation and the reconciliation of the deviation;
36. Any deviation of 10% or more between the profit or loss after tax and minority interest stated in the announced unaudited financial statements and the audited financial statements, giving an explanation of the deviation and the reconciliation of the deviation;

37. Any circumstances or development which are likely to materially affect the results or outcome of any prospects, revenue or profit estimate, forecast, projection or internal targets of the Company previously announced or disclosed in a public document, giving an explanation of the possible outcome arising from such circumstances or development on the prospects, revenue or profit estimate, forecast, projection or internal targets of the Company;
38. Any qualification in an external auditors' report giving full details of such qualification;
39. A call of securities for redemption by the Company;
40. Any listing of any part of the securities of the Company or any of its subsidiaries on any other stock exchange, stating which other stock exchange;
41. Any material information or financial documents that is released to or lodged with any other stock exchange or other regulator which is available to the public;
42. Any change of control in the Company;
43. Any agreement to sponsor a depository receipt programme. An announcement must include the information contained in Part G of Appendix 9A of the MMLR of Bursa Malaysia;
44. Any material amendment of the terms of the agreement for the sponsorship of a depository receipt programme, or the termination of such programme, stating the reasons and consequences of the termination;
45. Any valuation which has been conducted on the non-current assets of the Group, where the revaluation surplus or deficit will be incorporated in the financial statements of the Company. The Company must announce the valuation upon the Board approving the incorporation of the revaluation surplus or deficit in the financial statements of the Company and must include the information contained in Part H of Appendix 9A of the MMLR in the announcement to Bursa Malaysia. The Company must make available a copy each of the valuation reports for inspection at the Company's registered office for a period of 3 months from the date of announcement;
46. Any material development to corporate proposals previously announced, including the following:
 - a) variation of terms, including any extension of time agreed to or granted by the relevant party to the transaction;
 - b) lapse of any timeframe stipulated under the agreement for the performance of certain obligations;
 - c) submission of the proposal and any variation to regulatory authorities for approval;
 - d) receipt of any decision from regulatory authorities, stating amongst others, conditions imposed or reasons for rejection, where applicable;
 - e) submission of any application to the regulatory authorities for variation of conditions;
 - f) lapse of timeframe imposed by the relevant regulatory authorities, within which the corporate proposal must be completed and the submission of any application for extension of time to complete implementation of the corporate proposal;
 - g) completion of the corporate proposal; or
 - h) termination of the corporate proposal, stating among others:
 - i) the reasons for the termination;
 - ii) whether the Company will be pursuing or taking any legal action (where applicable); and

- iii) the financial impact (if any) to the Company pursuant to the termination in terms of the effect on earnings per share and net asset per share;
47. Any information in relation to a proposed take-over or take-over offer which is required to be announced to Bursa Malaysia pursuant to the Take-Overs and Mergers Code;
48. In relation to a take-over offer for the acquisition of the listed shares or listed units of the Company pursuant to the Take-Overs and Mergers Code or a corporate proposal undertaken by or in relation to the Company, upon 90% or more of the listed shares (excluding treasury shares) or listed units of the Company being held by a shareholder or a unit holder either individually or jointly with associates of the said shareholder or unit holder. In relation to a take-over offer, the Company must include the information contained in Part J of Appendix 9A of the MMLR in the announcement to Bursa Malaysia;
49. Any decision to implement a Share Grant Scheme. An announcement to Bursa Malaysia on the decision to implement such a scheme must include the information required of a Share Issuance Scheme in Appendix 6A of the MMLR of Bursa Malaysia, where applicable, and with the necessary modifications;
50. Any decision to terminate a Share Grant Scheme before its expiry. An announcement to Bursa Malaysia on the termination of such a scheme must include the following information:
- a) the effective date of termination;
 - b) the number of shares vested under the scheme; and
 - c) the reasons for termination; or
51. Any options or shares offered under a Share Issuance Scheme. The Company must announce the following on the date of the offer:
- a) date of offer;
 - b) exercise price of options offered, if applicable;
 - c) number of options or shares offered;
 - d) market price of its securities on the date of the offer;
 - e) number of options or shares offered to each Director, if any; and
 - f) vesting period of the options or shares offered.

This **Appendix** shall be updated from time to time in tandem with changes to the MMLR announced by Bursa Malaysia.

Appendix 3

Guided by **Paragraph 9.04** of Bursa Malaysia's MMLR, the following is a non-exhaustive list of events and/or activities which may require immediate disclosure by the Company:

- a) the entry into a joint venture agreement or merger;
- b) the acquisition or loss of a contract, franchise or distributorship rights;
- c) the introduction of a new product or discovery;
- d) a change in management;
- e) the borrowing of funds;
- f) the commencement of or the involvement in litigation and any material development arising from such litigation;
- g) the commencement of arbitration proceedings or proceedings involving alternative dispute resolution methods and any material development arising from such proceedings;
- h) the purchase or sale of an asset;
- i) a change in capital investment plans;
- j) the occurrence of a labour dispute or disputes with sub-contractors or suppliers;
- k) the making of a tender offer for another corporation's securities;
- l) the occurrence of an event of default on interest, principal payments or both in respect of loans;
- m) a change in general business direction;
- n) a change of intellectual property rights;
- o) the entry into a memorandum of understanding; or
- p) the entry into any call or put option or financial futures contracts.

This **Appendix** shall be updated from time to time in tandem with any changes to the MMLR of Bursa Malaysia.

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