

HOCK SENG LEE BERHAD
COMPLIANCE CHECKLIST
BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS APPENDIX 12A
Part A– Contents of circular in relation to a share buy-back
(Paragraph 12.06(3))

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|-----|---|--|---|-------------------------------|
| 1) | A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent advisers. | Cover page 1 st paragraph | Incorporated | Met |
| 2) | A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the documents. <i>A statement that Bursa Malaysia Securities Berhad has not perused the circular prior to its issuance – PN18 para3.2</i> | Cover page 2 nd paragraph Cover page 2 nd paragraph | Incorporated | Met |
| 3) | A statement with regard to the reasons for the proposed purchase. | Section 2.2 | Incorporated | Met |
| 4) | The maximum number or percentage of shares to be acquired. | Section 2.1.1 | Incorporated | Met |
| 5) | The total maximum amount of funds to be allocated for the proposed purchase or otherwise a basis, other than reference to any person's discretion or opinion, or a formula to determine the maximum fund that is to be allocated. | 3 rd paragraph Section 2.1.2 | Incorporated | Met |
| 6) | The amount of retained profits and share premium based on the latest audited financial statements and the latest management accounts (where applicable), | 3 rd paragraph Section 2.1.2 | Incorporated. The Company does not have any share premium reserve | Met |
| 7) | The number of shares held directly and indirectly by the directors and substantial shareholders. | Section 2.3.7 | Incorporated & updated to 31.03.2016 | Met |
| 8) | The source of funds for the purpose of the proposed purchase including, where applicable, details relating to financing for the proposed purchase, the repayment capabilities of the listed corporation and the impact on its cash flow. | 2 nd paragraph Section 2.1.2 | Incorporated | Met |
| 9) | The direct and indirect interests of the directors and substantial shareholders and any person connected with the directors and/or substantial shareholders in the proposed purchase of shares or resale of treasury shares. | Section 2.4 | Incorporated | Met |
| 10) | Both the potential advantages and disadvantages of the proposed purchase to the listed corporation and its shareholders respectively. | Section 2.2 and Section 2.1.5 | The advantages (rationale) are discussed in Section 2.2 and the potential disadvantages (risk factors) are discussed in Section 2.1.5 | Met |

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|-----|---|-------------------------|--|-------------------------------|
| 11) | Any material financial effect on the listed corporation or group if the proposed purchase(s) were to be carried out in full at any time during the proposed authorised period (such as the working capital of the listed corporation as compared with the position disclosed in the most recent published or announced audited financial statements). | Section 2.3 | Incorporated | Met |
| 12) | A statement as to the consequences of the proposed purchase on the listed corporation and its shareholders with regard to the Take-Overs and Mergers Code or in relation to a foreign corporation, the relevant laws of the place of incorporation in respect of take-overs and mergers. | Section 2.1.6 | Incorporated | Met |
| 13) | The details of any purchase made in the preceding 12 months giving the date of each purchase and the purchase price per share or the highest, lowest and average prices paid and total consideration paid for such purchase(s). | Section 2.5 | Incorporated & updated to 31.03.2016 | Met |
| 14) | The details of number of shares currently held as treasury shares and of any resale of treasury shares made in the preceding 12 months giving the date of each resale and the resale price per share or the highest, lowest and average resale prices and total consideration received for such resale(s). | Section 2.5 | Incorporated & updated to 31.03.2016 No resale of treasury shares | Met |
| 15) | The details of any cancellation of shares made in the preceding 12 months. | Section 2.5 | none | Met |
| 16) | The details of the highest and lowest prices at which the relevant shares were traded on the Exchange for the preceding 12 months and the last transacted price on the latest practicable date before printing the circular. | Section 2.6 | Incorporated & updated to 31.03.2016 | Met |
| 17) | Whether it is the proposed intention of the directors to retain the shares as treasury shares or cancel them, or both, the rationale for the alternatives chosen and, if available, information as to the percentage or number of shares purchased which are to be retained and/or cancelled. | Section 2.1.3 | Incorporated | Met |
| 18) | The public shareholding spread of the listed corporation, as at the latest practicable date. | Section 2.3.6 | Incorporated & updated to 31.03.2016 | Met |
| 19) | A statement by the board of directors whether the proposal is in the best interest of the listed corporation. | Section 2.8 | Incorporated | Met |
| 20) | A recommendation from the board of directors as to the voting action that shareholders should take. | Section 2.8 | Incorporated | Met |
| 21) | An appendix containing the following information:- | | | |
| | (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed corporation and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading; | Appendix I Section 1 | Incorporated | Met |
| | (b) where a person is named in the circular as having advised the listed corporation or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the | N/A | No advisor engaged | N/A |

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|-----|---|--|--|----------------------------------|
| | <p>adviser's name and/or letter (where applicable) in the form and context in which it is included;</p> <p>(c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed corporation and/or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars must be disclosed in respect of each such contract: -</p> <p>(i) the date of the contract;</p> <p>(ii) the parties of the contract;</p> <p>(iii) the general nature; and</p> <p>(iv) the consideration and mode of satisfaction;</p> <p>(d) a statement of all material litigation, claims or arbitration involving the listed corporation and/or any of its subsidiaries, including those pending or threatened against such companies. The following particulars must be disclosed;</p> <p>(i) the background;</p> <p>(ii) the date of the suit;</p> <p>(iii) the names of the plaintiff(s) and defendant(s);</p> <p>(iv) the estimate of the maximum exposure to liabilities;</p> <p>(v) directors's/solicitors' opinion of the outcome; and</p> <p>(vi) the status;</p> <p>(e) a statement that for a period of not less than 2 weeks following the publication of the circular, the following documents (or copies of the documents) may be inspected at the registered office of the listed corporation: -</p> <p>(i) the memorandum and articles of association;</p> <p>(ii) the audited financial statements of the listed corporation/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;</p> <p>(iii) all reports, letters or other documents, statement of financial position, valuations and statements by any expert, any part of which is extracted or referred to in the circular;</p> <p>(iv) the letters of consent referred to in subparagraph (b) above;</p> <p>(v) the material contracts referred to in subparagraph (c) above; and</p> <p>(vi) the relevant cause papers in respect of material litigation referred to in subparagraph (d) above.</p> | <p>Appendix I Section 3</p> <p>Appendix I Section 2</p> <p>Appendix I Section 4</p> <p>(i)</p> <p>(ii)</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> | <p>Incorporated</p> <p>No material contracts</p> <p>Incorporated. Updated to latest practicable date as at date of signing of audited financial statements as at 31.3.2016</p> <p>Incorporated</p> | <p>Met</p> <p>Met</p> <p>Met</p> |
| 22) | Any other information concerning the proposed purchase as shareholders and their advisers would reasonably require and would reasonably expect to find in the circular for the purposes of making an informed assessment as to the merits of approving the proposed purchase and the extent of the risks involved in doing so. | N/A | No other information relevant for disclosure | Met |

HOCK SENG LEE BERHAD
COMPLIANCE CHECKLIST
BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS
APPENDIX 12B 6 Contents of ordinary resolution in relation to a share buy-back

(paragraph 12.07(1))

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|----|--|---|---------------------------|-------------------------------|
| 1) | The total number or percentage and description of the shares which the listed corporation is authorised to purchase on the Exchange; | Notice of AGM (issued with the Annual Report 2015) | Incorporated | Met |
| 2) | The dates on which the authority conferred by the resolution will commence and determine; | Notice of AGM (issued with the Annual Report 2015) | Incorporated | Met |
| 3) | The maximum funds to be allocated by the listed corporation for the purpose of purchasing its own shares or a basis, other than reference to any person's discretion or opinion, or a formula to determine the maximum fund that is to be allocated; and | Notice of AGM (issued with the Annual Report 2015) | Incorporated | Met |
| 4) | Whether the shares are proposed to be cancelled or retained as treasury shares, or both and, if available, information as to percentage or number of shares purchased which are to be retained and/or cancelled. | Notice of AGM (issued with the Annual Report 2015) | Incorporated | Met |

HOCK SENG LEE BERHAD**COMPLIANCE CHECKLIST****BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS****ANNEXURE PN12-A - Contents of circular to shareholders for shareholder mandate**

(paragraph 4.1 of Practice Note 12)

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|----|---|--|--|-------------------------------|
| 1) | A heading drawing attention to the importance of the circular and advising holders of shares who are in any doubt as to what action to take to consult appropriate independent advisers; | Cover page 1 st paragraph | Incorporated | Met |
| 2) | A statement that Bursa Malaysia Securities Berhad takes no responsibility for the contents of the circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the document; | Cover page 2 nd paragraph | Incorporated | Met |
| 3) | The principal business activity of the listed issuer and its subsidiaries, the details of the nature of the Recurrent Related Party Transactions contemplated under the Mandate including the activities, products, and the estimated aggregate value of the respective Recurrent Related Party Transactions contemplated under the Mandate, and the details of the class of related parties with whom the Recurrent Related Party Transactions will be carried out including the relationship with the listed issuer and the names of these parties. Where it is not possible to determine the estimated value of the Recurrent Related Party Transactions, to state the reason; | Section 3.1 3 rd paragraph and Section 3.1.1 | Incorporated | Met |
| 4) | The rationale for, and the benefit to, the listed issuer or its subsidiary transacting with the related party | Section 3.3 | Incorporated | Met |
| 5) | The listed issuer's methods or procedures to ensure that the Recurrent Related Party Transactions contemplated under the Mandate are undertaken on transaction prices and terms not more favorable to the related party than those generally available to the public and are not to the detriment of the minority shareholders; | Section 3.1.2 | Incorporated | Met |
| 6) | The audit committee's view on whether the procedures above are sufficient to ensure that Recurrent Related Party Transactions are not more favorable to the related party than those generally available to the public and are not to the detriment of the minority shareholders; | Section 3.1.3 | Incorporated | Met |
| 7) | The interest, direct or indirect, of the directors and/or major shareholders and/or persons connected with a director or major shareholder in the proposal and the related party's direct and indirect shareholdings in the listed issuer; | Section 3.2 (tabulated) | Incorporated & updated to 31.03.2016 | Met |
| 8) | A statement that the interested directors have abstained and/or will abstain from board deliberation and voting on the relevant resolution; | Section 3.2 2 nd paragraph | Incorporated | Met |
| 9) | A statement that the director, major shareholder and/or person connected with a director or major | Section 3.2 2 nd & 4 th | Incorporated | Met |

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|-----|--|--------------------|---------------------------|-------------------------------|
| | shareholder, which has/have any interest, direct or indirect, in the proposal will abstain from voting in respect of his/their direct and/or indirect shareholdings. Where the person connected with a director or major shareholder has any interest, direct or indirect, in the proposal, a statement that the director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Further, a statement that such interested director and/or major shareholder has/have undertaken that he/they will ensure that the persons connected with him/them abstain from voting on the resolution deliberating or approving the proposal at the general meeting; | paragraph | | |
| 10) | A statement by the board of directors whether the proposal is in the best interest of the listed issuer and where a director disagrees with such statement, a statement by the director setting out the reasons and the factors taken into consideration in forming that opinion; | Section 3.5 | Incorporated | Met |
| 11) | The thresholds for the approval of Recurrent Related Party Transactions within the listed issuer's group of companies; | Section 3.1.2 (vi) | Incorporated | Met |
| 12) | A statement that at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), to state how the transaction price will be determined and ensure that the Recurrent Related Party Transaction is not detrimental to the listed issuer or its group of companies. | Section 3.1.2 (i) | Incorporated | Met |
| 13) | A statement by the audit committee that the group of companies has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and the frequency of review of these procedures and processes. | Section 3.1.3 | Incorporated | Met |
| 14) | The actual value transacted of each Recurrent Related Party Transaction, from the date on which the existing mandate was obtained up to the latest practicable date before the printing of the draft circular(Actual Value) | Section 3.1.1 | Incorporated | Met |
| 15) | The estimated value of each Recurrent Related Party Transaction as disclosed in the preceding year's circular to shareholders(Estimated Value) | Section 3.1.1 | Incorporated | Met |

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|------|---|-------------------------|---|-------------------------------|
| 16) | The reasons for the deviation, where the Actual Value exceeds the Estimated value by 10% or more | n/a | Actual value of the Aggregate value does not exceed the Estimated value by 10% or more (updated to 31.3.2016) | Met |
| 16A) | Where a sum is due and owing to a listed issuer by its related party pursuant to a Recurrent Related Party Transaction, a breakdown of the principal sum and interest for the total outstanding amount due under the Recurrent Related Party Transaction which exceeded the credit term for the following periods as at the end of each financial year; <ul style="list-style-type: none"> a) a period of 1 year or less; b) a period of more than 1 to 3 years; c) a period of more than 3 to 5 years; and d) a period of more than 5 Years | n/a | There is no amount due and owing to the Company by its related party | Negative statement included |
| 16B) | The following particulars must be disclosed together with the information in paragraph 16A above: <ul style="list-style-type: none"> a) any late payment charges imposed and where no late payment charges are imposed, to state the reasons; b) the course of action(s) taken or to be taken by the listed issuer to recover the outstanding amount due; and c) the listed issuer's board of directors' opinion on any outstanding amount long overdue including comments on its recoverability. | n/a | Refer 16A | N/A |
| 17) | A recommendation from the board of directors (other than the interested directors) as to the voting action that shareholders should take; | Section 3.5 | Incorporated | Met |
| 18) | An appendix containing the following information:- <ul style="list-style-type: none"> (a) a responsibility statement by the directors that the circular has been seen and approved by the directors of the listed issuer and that they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the circular misleading; (b) where a person is named in the circular as having advised the listed issuer or its directors, a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the adviser's name and/or letter (where applicable) in the form and context in which it is included; (c) a statement of all material contracts (not being contracts entered into in the ordinary course of business) entered into by the listed issuer and/or its subsidiaries within 2 years immediately preceding the date of the circular. The following particulars | Appendix I Section 1 | Incorporated | Met |
| | | N/A | No advisor engaged | N/A |
| | | Appendix I Section 3 | Incorporated No material contract | N/A |

| | MAIN MARKET LISTING REQUIREMENTS | REF | COMPANY'S POSITION | COMMENTS ON COMPLIANCE |
|-----|---|--|--|------------------------|
| | <p>must be disclosed in respect of each such contract:-</p> <p>(i) the date of the contract;</p> <p>(ii) the parties of the contract;</p> <p>(iii) the general nature; and</p> <p>(iv) the consideration and mode of satisfaction thereof;</p> <p>(d) a statement of all material litigation, claims or arbitration involving the listed issuer and/or any of its subsidiaries, including those pending or threatened against such companies. The following particulars must be disclosed:-</p> <p>(i) the background;</p> <p>(ii) the date of the suit;</p> <p>(iii) the names of the plaintiff(s) and defendant(s);</p> <p>(iv) the estimate of the maximum exposure to liabilities;</p> <p>(v) directors/solicitors' opinion of the outcome; and</p> <p>(vi) the status;</p> <p>(e) a statement that for a period from the date of the circular to the date of general meeting, the following documents (or copies of the said documents) may be inspected at the registered office of the listed issuer:-</p> <p>(i) the memorandum and articles of association;</p> <p>(ii) the audited financial statements of the listed issuer/group for the past 2 financial years and the latest unaudited results since the last audited financial statements;</p> <p>(iii) all reports, letters or other documents, statements of financial position, valuation and statements by any expert, any part of which is extracted or referred to in the circular;</p> <p>(iv) the letters of consent referred to in subparagraph b) above;</p> <p>(v) the material contracts referred to in subparagraph (c) above; and</p> <p>(vi) the relevant cause papers in respect of material litigation referred to in subparagraph (d) above.</p> | <p>Appendix I Section 2</p> <p>Appendix I Section 4</p> <p>(i)</p> <p>(ii)</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> | <p>Incorporated and will be updated to latest practicable date</p> <p>Incorporated</p> | <p>Met</p> <p>Met</p> |
| 19) | Any other information concerning the proposal as shareholders and their advisers would reasonably require and would reasonably expect to find in the circular for the purpose of making an informed assessment as to the merits of approving the proposal and the extent of the risks involved in doing so. | N/A | No other information are relevant for disclosure | N/A |