



KLN LOGISTICS GROUP LIMITED

(Incorporated in the British Virgin Islands and continued into
Bermuda as an exempted company with limited liability)

Stock Code 636

Inside Information Disclosure Policy

(Revised on 28 March 2025)

1. Introduction

This Inside Information Disclosure Policy sets out the system in KLN Logistics Group Limited (“KLN”, together with its subsidiaries, the “Group”) for monitoring inside information to ensure compliance with the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Exchange”) and the Securities and Futures Ordinance (the “SFO”). This Policy is subject to review by the Board or its committee(s) from time to time.

2. Definition of Inside Information

2.1 “Inside information”, in relation to KLN, means specific information that is:

- (a) about:
 - (i) KLN;
 - (ii) a shareholder or officer of KLN; or
 - (iii) the listed securities of KLN or its derivatives; and
- (b) not generally known to the persons who are accustomed or would be likely to deal in the listed securities of KLN but would if generally known to them be likely to materially affect the share price of KLN.

2.2 Examples of possible inside information are included in the attached Appendix.

3. Policy for Announcement of Inside Information and Preservation of Confidentiality

3.1 Inside information shall be announced as soon as reasonably practicable after it becomes known to KLN’s board of directors (the “Board”) and/or is the subject of a decision by the Board.

3.2 In cases where a decision by the Board is pending or in cases of incomplete negotiations, KLN shall implement the following procedures to maintain the confidentiality of information:

- (a) using codenames in correspondence and/or password protected e-mails;
- (b) restricting access to the information to a limited number of parties on a need-to-know basis;
- (c) ensuring confidentiality agreements are signed with the relevant parties before disclosing any inside information; and
- (d) reminding parties involved of the need to keep all such information strictly confidential and that they are insiders.

3.3 Until an announcement is made, the directors (the “Directors”) and the management (the “Management”) of KLN should ensure that such information is kept strictly confidential. If the confidentiality cannot be maintained or may have been breached, an announcement shall be made as soon as practicable.

3.4 If KLN is not in a position to issue a full announcement to properly inform the public, it should consider issuing a holding announcement which details as much of the subject

matter as possible and sets out reasons why a fuller announcement cannot be made. A full announcement should be published as soon as reasonably practicable.

- 3.5 If confidentiality has not been maintained and KLN is not able to make an announcement, be it a full announcement or a holding announcement, then it should consider applying for a halt of trading in its securities until disclosure can be made.

4. Policy for Handling Inside Information

4.1 Business teams of KLN and any employees involved shall keep inside information on transactions confidential. If there is a leakage of such information, they shall inform the Directors, the Chief Financial Officer (the “CFO”) and/or the Company Secretary (the “Company Secretary”) of KLN immediately so that remedial actions, including making an inside information announcement, can be taken at the earliest opportunity.

4.2 KLN’s Group Finance Department shall keep track of KLN’s threshold levels for disclosure pursuant to the size tests and other requirements under the Listing Rules, so that an announcement can be made as soon as practicable should a disclosure obligation arise.

5. Policy for Responding to Exchange’s Enquiries

5.1 On receipt of enquiries from the Exchange concerning inside information, possible development of a false market in KLN’s securities and/or unusual movements in the price or trading volume of KLN’s securities, the Company Secretary shall immediately report the matter to the relevant KLN executive director (the “Executive Director”) and the CFO.

5.2 After consultation with the Executive Director and the CFO, the Company Secretary shall promptly give a reply to the Exchange. If requested by the Exchange or if the Board considers appropriate, a holding announcement or a clarification announcement in relation thereto will be issued for the fair and orderly operation of the market.

6. Policy for Dissemination of Inside Information to External Parties

6.1 Shareholders

Final results announcement based on KLN’s audited financial statements are published on the websites of the Exchange and KLN within three months after the end of the financial year. Interim results announcement based on KLN’s interim financial statements are published on the websites of the Exchange and KLN within two months after the end of the half-year period. Inside information is announced promptly through the websites of the Exchange and KLN (see paragraph 6.5 below).

6.2 Sell-side Analysts

(a) A briefing session on KLN’s performance and results is organized for sell-side analysts in the afternoon on the same day after the interim/final results have been announced. Presentation materials shall be reviewed in advance before they are released at the briefing session and shall not contain inside information. Briefings should be recorded to facilitate KLN’s assessment of whether any inside information had been inadvertently disclosed, and whether it should issue an announcement on the Exchange’s website (see paragraph 6.5 below).

- (b) All investors and/or analysts enquiries shall be referred to KLN's Investor Relations Department for centralized handling.
- (c) KLN's Investor Relations Department shall review the research reports published by the banks. For matters that require Management attention, a synopsis will be circulated to the Management. Under ordinary circumstances, KLN would not comment on an analyst's financial projection or opinion.

6.3 Media

- (a) A briefing session on KLN's performance and results is organised for the media in the afternoon on the same day after the interim/final results have been announced. Presentation materials shall be reviewed in advance before they are released at the press briefing session and shall not contain inside information. Briefings should be recorded to facilitate KLN's assessment of whether any inside information had been inadvertently disclosed, and whether it should issue an announcement on the Exchange's website (see paragraph 6.5 below).
- (b) To manage dissemination of information about significant issues of KLN, a press release will be issued to all media and also be posted on KLN's website. All media enquiries will be referred to KLN's Corporate Communication Department for centralized handling. When confronted with questions by journalists about rumours circulating in the market, KLN would not comment on unannounced inside information.
- (c) News reports related to and of interest to KLN are provided to Management on a daily basis.

6.4 Other Stakeholders

Information released by industry regulators, government departments and other bodies may affect the price of or market activity in the securities of KLN. If such information is expected to have a significant impact on KLN, an announcement shall be made by KLN providing KLN's view on the impact of the relevant information.

6.5 Dissemination of Information

The electronic publication system of the Exchange is the first channel of dissemination of KLN's inside information before any other channel. Publication on KLN's own website should be at the same time as publication of the electronic copy of the document on the Exchange's website. In any event, where the electronic copy of the document is published on the Exchange's website (i) after 7:00 p.m., publication on KLN's own website must not be later than 8:30 a.m. on the business day next following such publication and (ii) at any other time, publication on KLN's own website must not be later than 1 hour after such publication.

7. Policy for Embargo Period imposed on Insider

- 7.1 Directors are prohibited from dealing in securities of KLN during a period of 30 days immediately preceding the announcement of its interim results and a period of 60 days immediately preceding the announcement of its final results up to, in each case, the publication date of the results (the "Embargo Period"). The Company Secretary shall

remind the Directors in advance of their obligations during the Embargo Period under the Model Code in the Listing Rules.

- 7.2 As an absolute prohibition, Directors should refrain from dealing in securities of KLN at any time when they are in possession of unpublished inside information in relation to KLN. Such prohibition applies equally to employees of KLN (“Staff”) who possess unpublished inside information of KLN or who, by virtue of their office or employment in the Group, are likely to possess undisclosed inside information in relation to the securities of KLN.
- 7.3 Subject to the nature of the inside information, the Company Secretary has maintained a list of persons (the “Insider List”) who may or normally would have access to the inside information of KLN. The Company Secretary will also send reminder to those under the Insider List reminding their obligations during the Embargo Period. The Insider List is maintained and updated by the Company Secretary from time to time.

8. Policy on Staff’s Obligations in relation to Inside Information

- 8.1 Staff should not disseminate data on KLN’s affairs, other than that published officially by KLN, either verbally or by way of documentation. Unless duly authorized, Staff should not make any comments or statements to the press or media.
- 8.2 Staff should lock away all confidential papers before leaving the office at lunch time or after work. Staff should make sure that all soft confidential files are protected by password and locked computer before leaving the office. Staff should also check that all filing cabinets containing confidential material are locked. Confidential papers which are no longer required must be shredded and should not be discarded in waste paper baskets.
- 8.3 8.1 and 8.2 above are included in KLN’s Staff Handbook.

9. Policy on Inside Information Identified from Monthly Financial Information

KLN has established monthly financial reporting procedures so that key financial data is identified and escalated in a structured and timely manner for determining if they constitute inside information. In accordance with the Listing Rules, a monthly report is sent to each Director. This provides a channel for the Directors to identify possible inside information and determine necessary actions to be taken.

10. Advice on Inside Information

In case of doubt of whether a piece of information needs to be disclosed, such information can be passed to the Director, the CFO and/or the Company Secretary for review and advice. The Director, the CFO and/or the Company Secretary may seek further legal and/or financial adviser’s opinions in relation to such information. A written record of the discussion and the reasons of reaching the conclusion on whether the information should/should not be considered as inside information shall be kept. Should any information be considered as inside information, the Board will be notified accordingly.

11. Exemption and Waiver to the Disclosure of Inside Information

The SFO provides for Safe Harbours which permit withholding of disclosure of inside information under any one of the following circumstances:-

- (a) the disclosure is prohibited or restricted by an enactment or a court order;
- (b) the information concerns an incomplete proposal or negotiation;
- (c) the information concerned is a trade secret;
- (d) the information concerns the provision of liquidity support to any member of the Group from the Government's Exchange Fund or a central bank; and
- (e) the disclosure is waived by the Securities and Futures Commission (the "Commission") and any condition imposed in relation to the waiver is complied with,

provided that, in relation to (b) through (e), reasonable precautions have been taken for preserving the confidentiality of the information and confidentiality is in fact preserved (see paragraph 3.2 above).

APPENDIX

Examples of possible inside information

The following are common examples of events and circumstances as suggested by the Commission in its guidelines on disclosure of inside information issued in June 2012:

1. Changes in performance, or the expectation of the performance, of the business.
2. Changes in financial condition, e.g. cashflow crisis, credit crunch.
3. Changes in control and control agreements.
4. Changes in directors.
5. Changes in directors' service contracts.
6. Changes in auditors or any other information related to the auditors' activity.
7. Changes in the share capital, e.g. new share placing, bonus issue, rights issue, share split, share consolidation and capital reduction.
8. Issue of debt securities, convertible instruments, options or warrants to acquire or subscribe for securities.
9. Takeovers and mergers.
10. Purchase or disposal of equity interests or other major assets or business operations.
11. Formation of a joint venture.
12. Restructurings, reorganizations and spin-offs that have an effect on the corporation's assets, liabilities, financial position or profits and losses.
13. Decisions concerning buy-back programmes or transactions in other listed financial instruments.
14. Changes to the memorandum and articles (or equivalent constitutional documents).
15. Filing of winding up petitions, the issuing of winding up orders or the appointment of provisional receivers or liquidators.
16. Legal disputes and proceedings.
17. Revocation or cancellation of credit lines by one or more banks.
18. Changes in value of assets (including advances, loans, debts or other forms of financial assistance)
19. Insolvency of relevant debtors.
20. Reduction of real properties' values.
21. Physical destruction of uninsured goods.
22. New licenses, patents, registered trademarks.
23. Decrease or increase in value of financial instruments in portfolio which include financial assets or liabilities arising from futures contracts, derivatives, warrants, swaps protective hedges, credit default swaps.
24. Decrease in value of patents or rights or intangible assets due to market innovation.
25. Receiving acquisition bids for relevant assets.
26. Innovative products or processes.
27. Changes in expected earnings or losses.
28. Orders received from customers, their cancellation or important changes.
29. Withdrawal from or entry into new core business areas.
30. Changes in the investment policy.
31. Changes in the accounting policy.
32. Ex-dividend date, changes in dividend payment date and amount of dividend; changes in dividend policy.
33. Pledge of the corporation's shares by controlling shareholders.
34. Changes in a matter which was the subject of a previous announcement.

The above events and circumstances are not conclusive and exhaustive.