

HAP SENG CONSOLIDATED BERHAD

197601000914 (26877-W)

Incorporated in Malaysia

MINUTES OF THE FORTY-NINTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE SANDAKAN ROOM, GROUND FLOOR, MENARA HAP SENG, JALAN P. RAMLEE, 50250 KUALA LUMPUR ON WEDNESDAY, 28 MAY 2025 AT 10AM

Present	: DIRECTORS Mr Thomas Karl Rapp (Independent Non-Executive Chairman) Datuk Edward Lee Ming Foo (Managing Director) Ms Cheah Yee Leng (Executive Director) Dato' Wan Mohd Fadzmi (Independent Non-Executive Director) Mr Patrick Tan Boon Peng (Independent Non-Executive Director) Mr Wong Yoke Nyen (Independent Non-Executive Director)
Absent with Apologies	: Datuk Simon Shim Kong Yip (Non-Independent Non-Executive Director)
In Attendance	: Ms Lim Guan Nee (Company Secretary)
Members	: 170 members as per attendance sheet
Proxies	: 54 proxies as per attendance sheet
Corporate Representative	: 1 corporate representative as per attendance sheet
By invitation	: Ms Ng Yee Yee (Auditor, Messrs Ernst & Young) Mr Kisharn Thoolasy Das (Auditor, Messrs Ernst & Young) Mr Low Wen Hong (Auditor, Messrs Ernst & Young)

QUORUM

The chairman welcomed all the shareholders, proxies and corporate representative who present at the meeting.

The chairman extended apologies on behalf of Datuk Simon Shim Kong Yip for being unable to attend the meeting.

The requisite quorum being present pursuant to the Company's constitution, the chairman declared the meeting duly convened.

NOTICE OF MEETING

The chairman informed the meeting that the notice convening this meeting set out in the 2024 annual report had been announced to Bursa Malaysia Securities Berhad on 29 April 2025. The said AGM notice was sent to all members of the Company, auditors of the Company as well as being published in the New Straits Times and Borneo Post on 30 April 2025. The notice of AGM and the 2024 annual report were also posted on the Company's website on the same day.

The notice convening the meeting was taken as read.

PROXY

As part of good corporate governance practice, the chairman reported that the Company had received a total of 98 proxy forms and a corporate representative authorization from the shareholders representing 65.41% of the issued share capital of the Company. Out of those, there were 26 shareholders who had appointed the Chairman of the meeting as their proxy to vote on their behalf and the shares representing 63.58% of the issued share capital of the Company.

VOTING BY POLL

The chairman informed the meeting that in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), all the proposed resolutions tabled today would be voted on by poll.

The Company had appointed Boardroom Share Registrars Sdn Bhd ("Boardroom") as the poll administrator to conduct the polling process and GovernAce Advisory & Solutions Sdn Bhd ("GovernAce") to verify the poll results. The polling for the proposed resolutions would be conducted after the deliberation of all items to be transacted at this AGM.

ORDINARY BUSINESS:-

TO TABLE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS

The chairman informed the meeting that the first item on the agenda was to table the audited financial statements together with the reports of directors and auditors. There would be no voting required on this item.

The chairman proceeded to table the following proposed resolutions:-

RESOLUTION 1

TO RE-ELECT DATUK SIMON SHIM KONG YIP, JP, WHO RETIRES AS DIRECTOR BY ROTATION IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY'S CONSTITUTION

The chairman tabled the following proposed Resolution 1:-

“**THAT** Datuk Simon Shim Kong Yip, JP, who is retiring as director in accordance with clause 116 of the Company's constitution be hereby re-elected to serve on the board of directors of the Company.”

RESOLUTION 2

TO RE-ELECT MS. CHEAH YEE LENG, WHO RETIRES AS DIRECTOR BY ROTATION IN ACCORDANCE WITH CLAUSE 116 OF THE COMPANY'S CONSTITUTION

The chairman tabled the following proposed Resolution 2:-

“**THAT** Ms. Cheah Yee Leng, who is retiring as director in accordance with clause 116 of the Company's constitution be hereby re-elected to serve on the board of directors of the Company.”

RESOLUTION 3

TO APPROVE THE PAYMENT OF DIRECTORS' FEES OF THE COMPANY AND ITS SUBSIDIARY AMOUNTING TO RM1,009,752.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The chairman tabled the following proposed Resolution 3:-

“**THAT** the payment of directors' fees of the Company and its subsidiary amounting to RM1,009,752.00 for the financial year ended 31 December 2024, be and is hereby approved.”

The chairman informed the shareholders and proxies that the interested directors had undertaken to abstain from voting in respect of Resolution 3.

RESOLUTION 4

TO REAPPOINT MESSRS ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AT A REMUNERATION TO BE DETERMINED BY THE DIRECTORS OF THE COMPANY

The chairman tabled the following proposed Resolution 4:-

“**THAT** Messrs Ernst & Young PLT be reappointed as auditors of the Company to hold office until the conclusion of the next annual general meeting and that the directors be authorised to fix their remuneration.”

SPECIAL BUSINESS:-

RESOLUTION 5

AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016

The chairman explained that the special business for this meeting was to consider and if thought fit, to approve the authority to the directors to issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company. As at the date of this meeting, no new shares had been issued pursuant to the mandate obtained at the last annual general meeting.

The chairman tabled the following proposed Resolution 5:-

“**THAT** the directors of the Company be and are hereby empowered pursuant to section 75 of the Companies Act 2016 to allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company, and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.”

RESOLUTION 6

PROPOSED RENEWAL OF AND NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The chairman explained that item 6 on the agenda was to consider and if thought fit, to pass Resolution 6 on the proposed renewal of and new shareholders’ mandate for recurrent related party transactions with the respective related parties. The related parties are:

- 1) Gek Poh (Holdings) Sdn Bhd Group;
- 2) Lei Shing Hong Limited Group;
- 3) Samling Strategic Corporation Sdn Bhd Group;
- 4) Corporated International Consultants Sdn Bhd;
- 5) Incorporated Consortium Sdn Bhd; and
- 6) Messrs Shim Pang & Co.

The chairman mentioned that the proposed Resolution 6, if passed, would allow Hap Seng Consolidated Berhad Group to enter into recurrent related party transactions pursuant to paragraph 10.09 of the Listing Requirements. Further information on the proposed shareholders’ mandate for recurrent related party transactions with the respective related parties was set out in section 2.3 of Part A of the Circular/Statement to shareholders dated 30 April 2025.

The chairman highlighted that the interested major shareholders, interested directors and/or persons connected to them, had undertaken to abstain from voting in respect of their direct and/or indirect shareholdings on the Resolution 6.

The chairman tabled the following proposed Resolution 6:-

“**THAT** proposed renewal of and new shareholders' mandate for the recurrent related party transactions with the related parties as set out in section 2.3 of Part A of the Circular/Statement to shareholders dated 30 April 2025 be and is hereby approved.”

RESOLUTION 7

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The chairman explained that item 7 on the agenda was to consider and if thought fit, to pass the Resolution 7 to renew shareholders authorisation for the Company to purchase its own shares through Bursa Malaysia Securities Berhad up to a maximum of 10% of the total number of issued shares of the Company. Further information on the proposed renewal of the share buy-back authority was set out in the share buy-back statement, which has earlier been sent to all shareholders.

The chairman tabled the following proposed Resolution 7:-

“**THAT** the proposed renewal of the share buy-back authority as set out in the Notice of meeting be and is hereby approved.”

PROPOSER & SECONDER

Ms Thoo Lee Ling proposed that all the proposed resolutions to be approved and the same was seconded by Dinesh Kumar A/L Bachulal.

Q&A SESSION

The chairman informed the meeting that prior to the annual general meeting, the Minority Shareholders Watch Group had submitted their questions to the Company. A copy of the questions raised by the MSWG together with the answers thereto is enclosed herewith as Appendix A.

The chairman invited questions from the floor and all questions were dealt with accordingly. In summary, the questions and responses thereto is enclosed herewith as Appendix B.

POLL VOTING

The chairman informed the meeting that the registration was closed and should now move to conduct the electronic poll voting for all the proposed resolutions. He added that he had been appointed to act as proxy for several members and he should vote in accordance with the instructions given. He then proceeded to invite the poll administrator to brief on the polling process and the housekeeping rules on the voting procedures.

The chairman announced that the poll was opened and the voting session would be closed in fifteen minutes. The counting of votes as well as the validation by independent scrutineer would take approximately fifteen minutes. He also added that the meeting should resume approximately at thirty minutes later for declaration of the poll results.

POLL RESULTS

The chairman announced that the meeting had resumed for announcement of poll results. Based on the enclosed poll results as set out in Appendix C which had been validated by GovernAce, the independent scrutineer, the chairman declared that all the resolutions are carried.

CONCLUSION

There being no other business, the meeting concluded at 11.30am with a vote of thanks to the chair.

CHAIRMAN

Kuala Lumpur

APPENDIX A

Operational & Financial Matters

1. In FYE2024, the property division recorded a revenue of RM1.01 billion (FYE2023: RM494.1 million), primarily attributable to the sale of land amounting to RM592.4 million. (Pages 18 & 247 of AR2024)
 - a) Q: Can the Board specify the location and size of the land disposed of, and disclose the profit recognised from the transaction?
A: *During the year, the division sold a total of 455.2 acres of land comprising 455.0 acres in Sabah, primarily in Tawau and 0.2 acres in the Klang Valley, which netted a total gain of RM397.7 million.*
 - b) Q: Additionally, what were the strategic considerations behind opting to dispose of the land at this juncture, rather than retaining it for future development potential? How does the Board assess the long-term benefit of this sale to the Group?
A: *As mentioned earlier, the land disposed of was primarily in Tawau which did not come with immediate development potential. It has always been part of the group's strategies to shift the focus of our property development business from Sabah to the Klang Valley. The Board is of the view that the said disposal is in the best interest of the Company.*

Sustainability Matters

1. Q: The Group has deferred its initiative to implement ESG due diligence on all new and existing suppliers, with implementation now scheduled for 2025 instead of 2024. (Page 93 of AR2024)

Can the Board elaborate on the reasons for the postponement of this initiative? What is the current status of preparation for implementation in 2025?
A: *The implementation of ESG due diligence has been deferred to allow adequate time for a thorough review, ensure full alignment with the Group's sustainability commitments, and ensure the initiative effectively complements the Group's broader sustainability objectives. The ESG due diligence process and policy is currently being reviewed, and implementation by the business divisions to commence once it is ready.*

APPENDIX B

- (a) Mr Liew noted that the total dividend payment had decreased from 25 sen in 2023 to 20 sen in 2024. In response to Mr Liew's query regarding the dividend policy and future dividend payouts, the chairman explained that the Company has a dividend policy of distributing not less than 50% of the Group's profit attributable to the owners of the company. The dividend payout for the financial year ended 31 December 2023 and 2024 ("FYE 2024") were 78% and 77% respectively. He added that with regards to future dividend, shareholders might refer to the relevant announcements made by the Company.
- (b) In response to Mr Lai's question regarding the plan for The Weld, the chairman informed the meeting that The Weld was the Company's latest acquisition. The development of The Weld was currently in the planning stage with several options under evaluation. The Weld would be incorporated into Plaza Hap Seng, which is strategically located in the Golden Triangle of Kuala Lumpur. Plaza Hap Seng spans 5.68 acres with five interconnected buildings, offering a gross commercial space of approximately two million square feet, comprising offices, hotel, retail outlets and restaurants ranging from fast food chains to high-end fine dining. Currently, Plaza Hap Seng is almost 90% occupied, with a strong mix of both international and local tenants.
- (c) Mr Lee noted that the Company reported a net asset per share of RM3.20. The share price had declined to approximately RM2.40, representing a drop around 35% as compared to net asset value. He sought clarification from the management on why no share buy-back was carried out. The chairman explained that the board acknowledged that the share price movements are influenced by various external factors beyond management's control, including geopolitical uncertainties such as financial crisis, the COVID-19 pandemic and the ongoing conflicts in Ukraine and Gaza. Since 2023, the Group's focus had shifted from profit growth to prudent cash flow management and strengthening the balance sheet by reducing gearing. Ms Cheah Yee Leng further added that as at 21 May 2025, the Company's public shareholding spread stood at approximately 25.47%. As the Main Market Listing Requirements of Bursa Malaysia Securities Berhad required the public listed companies to maintain 25% public shareholding spread, the Company has little buffer to undertake any meaningful share buy-back exercise without breaching the compliance.
- (d) Mr Low sought the board's view on Mercedes-Benz's performance in light of the increasingly aggressive presence of Chinese automakers, particularly BYD. The chairman acknowledged that the automotive division is currently facing intensified global competition, especially in the electric vehicle (EV) segment, where Chinese manufacturers like BYD had emerged as market leaders. He noted that German and Western carmakers, including Mercedes-Benz, were seen to be lagging by three to four years in EV technology due to a slower transition from combustion engines. Mercedes-Benz Germany is shifting R&D to China, aiming to learn from their technology advancements. A new EV from Mercedes-Benz is expected to launch in Germany or in Europe next year. There would be a one to two years delay before the models become available in Malaysia. As the automotive division has been operating under the agency model for a full year since 2024, the management would optimize the distribution costs and streamline the operations with the expectation of improved performance by 2025 to 2026 when new EV models are introduced.

- (e) In response to the question on whether the decline in sales and volume was partly due to the shift to the agency model, the chairman acknowledged that the agency model has both pro and cons. On the positive side, the agency model improves cost efficiency by eliminating the need to hold and finance the stocks. However, under agency model, profit margin tends to be lower as compared to dealer model, which offers greater incentives linked to sales targets. In addition, as selling prices are fixed by the principal under agency model, there is no flexibility for price negotiations with the customers resulting in lower sales volume and reduced margins. While the smaller retailers now benefit from equal stock access under the agency model, larger agencies lose the competitive edge they previously held under the dealer model.
- (f) In response to Mr Chua's query on whether the agency model would lead to increased competition in the Mercedes-Benz market in the long term, the chairman replied that Mercedes-Benz remains highly selective in appointing its retail partners to maintain its premium brand positioning. He added that the principal currently has no plans to appoint additional agents.
- (g) Mr Chua raised a question on why fertilizer trading profit dropped by 50% despite less than a 10% decline in revenue. Datuk Edward Lee Ming Foo explained that following the outbreak of the Russian and Ukrainian crisis, the sanction imposed on the Russian suppliers had resulted the sudden shortage of fertilizers particularly the Muriate of Potash ("MOP"), and MOP price shot up from USD300 per tonne to almost USD1,000 per tonne. When the fertilizer market price reached at about USD1,000 per tonne, we maintained the fertilizer inventory at a level enough to cater for the committed deliveries to customers and we replenished the fertilizers only when required as we anticipated the fertilizer prices to normalise when the supply chain issues improve. The vigilant management of fertilizer inventory had given rise to the supernormal profit in those 3 years. Today, the fertilizer market prices have normalised and correspondingly, our margin has also normalised.
- (h) In response to Mr Chua's question about the Group's focus on the property segment despite its low returns and high capital requirement and what is the take-up rate for the residential project, Datuk Edward explained that over the past few years, the Group had focused on cash management, reducing gearing, consolidating and downsizing underperforming businesses. Capital had been reallocated to areas with medium and long-term prospects, particularly, investment properties like offices and hotels. Although returns take time, these properties are located in prime locations with strong potential for capital appreciation, like Menara Hap Seng and Menara Hap Seng 3. The chairman added that KL Midtown is a mixed development project spanning approximately 8.95 acres. The Hyatt Regency Hotel is scheduled to open in August, followed by the opening of a mall managed by AEON next year and subsequently, the launch of office towers. As for the residential component, it would be developed at a later stage. He emphasised that the current focus is on managing these projects effectively to ensure long-term value creation for shareholders.

- (i) In response to Mr Chua's question regarding the average occupancy rate and the profitability of the hospitality segment. Mr Tan Boon Siong informed the meeting that for the FYE 2024, Hyatt Centric Kota Kinabalu recorded the occupancy rate of approximately 88% with the average room rate of RM515 per room and a positive EBITDA of about RM11 million. However, the occupancy rate for Hyatt Centric City Centre Kuala Lumpur remains preliminary as the hotel only commenced operations on 18 December 2024.
- (j) Ms Cheah Yee Leng responded to Mr Krishnappan's question regarding the dormant overseas companies. She explained that those companies incorporated in Australia and United Kingdom were purpose-driven. However, they had not been activated as the right opportunities had yet to materialize.
- (k) In response to Mr Krishnappan's question on retained profit, Mr Tan Boon Siong explained that distribution reserves can be used primarily for either dividend payments or bonus issue. As the matter of dividends had already been addressed earlier, he mentioned that a bonus issue proposal, would be a matter for the board's consideration at an appropriate time in future.
- (l) A shareholder requested the Company to consider a higher dividend payout in 2026 and better shareholders refreshment in conjunction with the Golden Jubilee of the Company's annual general meeting next year. The board noted the shareholder's suggestion.



GovernAce Advisory & Solutions Sdn. Bhd.
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Date: 28th May 2025

The Chairman of the Meeting
Hap Seng Consolidated Berhad

Dear Sirs,

Independent Scrutineer Report for the conduct of poll for Hap Seng Consolidated Berhad's Annual General Meeting held on 28th May 2025

We, GovernAce Advisory & Solutions Sdn. Bhd., as the appointed independent scrutineer in attendance at the Annual General Meeting (AGM) of Hap Seng Consolidated Berhad held on 28th May 2025 have performed the procedures as listed in our letter of engagement dated 7th April 2025.

The results of the poll, as casted by the shareholders and proxy holders present and voting based on the results generated by the Polling System provided by Boardroom Share Registrars Sdn. Bhd. are as attached.

Thank you.

Yours sincerely,

For and on behalf of
GovernAce Advisory & Solutions Sdn. Bhd.

A handwritten signature in black ink, appearing to be "A. K.", written over a white background.



Independent Scrutineer

Polling Results

Hap Seng Consolidated Berhad

49th annual general meeting

Date/Time: 28/05/2025 10:00:00 AM

Sandakan Room, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur

	FOR			AGAINST			TOTAL		
	NO. OF			NO. OF			NO. OF		
Ordinary Resolution	REC	SHARES	%	REC	SHARES	%	REC	SHARES	%
Resolution 1: To re-elect Datuk Simon Shim Kong Yip, JP as director of the Company.	116	1,616,467,215	99.9065	19	1,512,785	0.0935	135	1,617,980,000	100.0000
Resolution 2: To re-elect Ms. Cheah Yee Leng as director of the Company.	126	1,617,606,457	99.9685	5	509,143	0.0315	131	1,618,115,600	100.0000
Resolution 3: To approve the payment of directors' fees.	126	1,618,110,095	99.9999	3	1,705	0.0001	129	1,618,111,800	100.0000
Resolution 4: To reappoint Messrs Ernst & Young PLT as auditors of the Company.	128	1,618,105,900	99.9994	2	9,700	0.0006	130	1,618,115,600	100.0000
Resolution 5: Authority to allot shares pursuant to section 75 of the Companies Act 2016.	128	1,618,115,095	100.0000	2	505	0.0000	130	1,618,115,600	100.0000
Resolution 6: Proposed renewal of and new shareholders' mandate for recurrent related party transactions.	125	58,094,417	99.0418	6	562,061	0.9582	131	58,656,478	100.0000
Resolution 7: To approve renewal of share buy-back authority.	127	1,618,105,895	100.0000	2	505	0.0000	129	1,618,106,400	100.0000

