

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has only perused the contents of Part A of this Circular in respect of the Proposed New Shareholders’ Mandate (as defined below) on a limited review basis pursuant to the provision of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities has not perused Part B of this Circular prior to its issuance as they are prescribed as an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular and 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 this Circular.



**HONG SENG CONSOLIDATED BERHAD**

Registration No. 200101001581 (537337-M)  
(Incorporated in Malaysia)

**CIRCULAR TO THE SHAREHOLDERS IN RELATION TO THE**

**PART A**

**PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE (“PROPOSED NEW  
SHAREHOLDERS’ MANDATE”)**

**PART B**

**PROPOSED CHANGE OF NAME OF THE COMPANY FROM “HONG SENG  
CONSOLIDATED BERHAD” TO “HKL CONSOLIDATED BERHAD” (“PROPOSED CHANGE  
OF NAME”)**

**(COLLECTIVELY THE PROPOSED NEW SHAREHOLDERS’ MANDATE AND PROPOSED  
CHANGE OF NAME ARE REFERRED TO AS “THE PROPOSALS”)**

The Proposals will be tabled as Special Business at the Twenty-Third Annual General Meeting (“23<sup>rd</sup> AGM” or “Meeting”) of Hong Seng Consolidated Berhad (“Hong Seng” or “the Company”) which will be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 29 August 2024 at 9:00 a.m. or at any adjournment thereof. The Notice of the 23<sup>rd</sup> AGM together with the Proxy Form, Administrative Notes and this Circular are available on the Company’s website at <https://www.hongseng.com.my/>. Please follow the procedures provided in the Administrative Notes for the 23<sup>rd</sup> AGM in order to register, participate and vote at the 23<sup>rd</sup> AGM.

The last date and time for lodging the Proxy Form : Tuesday, 27 August 2024 at 9:00 a.m.

Day, date and time of the 23<sup>rd</sup> AGM : Thursday, 29 August 2024 at 9:00 a.m. or at any adjournment thereof

This Circular is dated 31 July 2024

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

“Act”	: The Companies Act 2016 as may be amended from time to time including and any re-enactment thereof
“AGM”	: Annual General Meeting
“AC”	: Audit Committee of Hong Seng
“Board”	: Board of Directors of Hong Seng
“Bursa Securities”	: Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“CCM”	: Companies Commission of Malaysia
“CMSA”	: Capital Markets and Services Act 2007
“Director”	: Has the meaning given in Section 2(1) of the CMSA and for the purpose of the Proposed New Shareholders’ Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Director or chief executive officer of the Company and/or its subsidiaries or holding company
“Hai Kah Lang”	: Hai Kah Lang Sdn. Bhd. [Registration No. 202101034832 (1435132-X)]
“HKL Dynamics”	: HKL Dynamics Sdn Bhd ( <i>formerly known as Hong Seng Gloves Sdn. Bhd.</i> ) [Registration No. 202001022653 (1378973-A)], a 85% owned subsidiary of the Company
“Hai Kah Lang Holding”	: Hai Kah Lang Holding Sdn. Bhd. [Registration No. 202301028850 (1522773-W)]
“Hong Seng” or “Company”	: Hong Seng Consolidated Berhad [Registration No. 200101001581 (537337-M)]
“Hong Seng Group” or “Group”	: the Company and its subsidiaries (including all future subsidiaries to be acquired/incorporated by the Group before the next AGM of the Company, wherever applicable), collectively
“HS Bio”	: HS Bio Sdn. Bhd. [Registration No. 200001004517 (507122-D)], a wholly-owned subsidiary of the Company
“Interested Related Parties”	: Related Parties who are deemed interested in the RRPTs
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
“LPD”	: 1 July 2024, being the latest practicable date prior to the printing of this Circular
“LPN”	: Lim Pik Ngan, wife of LSW, sister of LYB
“LSW”	: Leong Seng Wui, a Director and a substantial shareholder of the Company
“LYB”	: Lim Yew Boon, brother-in-law of LSW, brother of LPN

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**DEFINITIONS (cont'd)**

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- “Major Shareholder(s)” : A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is:-
- (a) ten per centum (10%) or more of the total number of voting shares in the Company; or
  - (b) five per centum (5%) or more of the total number of voting shares in the Company where such a person is the largest shareholder.

For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.

For the purpose of the Proposed New Shareholders’ Mandate, Major Shareholder(s) shall include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company.

- “Person(s) Connected” : Such person(s), in relation to any person (referred to as “**said Person**”) means such person who falls under any one (1) of the following categories:
- (a) a family member of the said Person, which means such person who falls within any one of the following categories:
    - (i) spouse;
    - (ii) parent;
    - (iii) child including an adopted child and step-child;
    - (iv) brother or sister; and
    - (v) spouse of the person referred to in subparagraphs (iii) and (iv) above.
  - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or family member of the said Person is the sole beneficiary;
  - (c) a partner of the said Person, which means such person who falls within any one of the following categories:
    - (i) a person with whom the said Person, is in or proposes to enter into partnership with. “Partnership” for this purpose refers to a “partnership” as defined in section 3 of the Partnership Act 1961 or “limited liability partnership” as defined in section 2 of the Limited Liability Partnership Act 2012, as the case may be; or
    - (ii) a person with whom the said Person has entered or proposes to enter into a joint venture, whether incorporated or not.
  - (d) a person, or where the person is a body corporate, the body corporate or its Directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
  - (e) a person, or where the person is a body corporate, the body corporate or its Directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;

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**DEFINITIONS (cont'd)**

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- (f) a body corporate in which the said Person or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation of the said Person.

“Proposed Shareholders’ Mandate” New : Proposed New Shareholders’ Mandate for Hong Seng Group to enter into RRPT as set out in Part A of this Circular

“Recurrent Related Party Transaction” or “RRPT(s)” : Related Party Transaction(s) which is/are recurrent, of a revenue and/or trading nature, which are necessary for the day-to-day operations of Hong Seng Group and are in the ordinary course of business of Hong Seng Group

“Related Party(ies)” : A Director(s), Major Shareholder(s) and/or Person(s) connected with such Director(s) or Major Shareholder(s)

“RM” and “sen” : Ringgit Malaysia and sen respectively

“Shares” or “Hong Seng Shares” : Ordinary share(s) in the Company

“Proposed Change of Name” : Proposed Change of Name of the Company from “Hong Seng Consolidated Berhad” to “HKL Consolidated Berhad”

All references to “we”, “us”, “our” and “ourselves” are to the Company, or where the context requires, are to the Group. All references to “you” in this Circular are references to the shareholders of the Company.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

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**PART A**

**LETTER TO THE SHAREHOLDERS OF THE COMPANY IN RELATION TO  
THE PROPOSED NEW SHAREHOLDERS' MANDATE**





# HONG SENG CONSOLIDATED BERHAD

Registration No. 200101001581 (537337-M)

(Incorporated in Malaysia)

## Registered Office

Third Floor, No. 77, 79 & 81  
Jalan SS 21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

31 July 2024

## Board of Directors

Christopher Chan Hooi Guan (*Executive Director*)  
Lee Li Chain (*Executive Director*)  
Leong Seng Wui (*Executive Director*)  
Lester Chin Kent Lake (*Executive Director*)  
Dato' Kang Chez Chiang (*Independent Non-Executive Director*)  
Leong Kam Soon (*Independent Non-Executive Director*)  
Yap Kien Ming (*Independent Non-Executive Director*)

**To: The shareholders of Hong Seng**

Dear Sir/Madam,

## **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/ OR TRADING NATURE**

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### 1.0 INTRODUCTION

On 26 July 2024, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed New Shareholders' Mandate at the forthcoming 23<sup>rd</sup> AGM of the Company for Hong Seng Group to enter into the RRPT with the Related Parties which is necessary for its day-to-day operations.

The purpose of this Circular is to provide you with the relevant details and information pertaining to the Proposed New Shareholders' Mandate together with the Board's recommendation and to seek your approval for the ordinary resolution to be tabled at the forthcoming 23<sup>rd</sup> AGM of the Company. The notice convening the 23<sup>rd</sup> AGM is set out in the Annual Report 2024, the extract of which is enclosed with this Circular.

**SHAREHOLDERS OF HONG SENG ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE AT THE FORTHCOMING 23<sup>RD</sup> AGM.**

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## **2.0 DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

### **2.1 Provisions under the Listing Requirements**

Pursuant to paragraph 10.09 of the Listing Requirements, a listed issuer may seek a shareholders' mandate in respect of RRPT which are necessary for its day-to-day operations subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favorable to the Related Party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
  - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transaction is equal to or exceeds RM1 million; or
  - (b) any one of the percentage ratios of such aggregated transaction is equal to or exceeds 1%;whichever is the higher;
- (iii) the issuance of a circular to shareholders by the listed issuer, which includes the information as may be prescribed by Bursa Securities together with a checklist showing compliance with such information when submitting the circular to Bursa Securities;
- (iv) in a meeting to obtain shareholders' mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by ten per centum (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Accordingly, the Board proposes to seek the shareholders' mandate for Hong Seng Group to enter into arrangements or transactions with the Related Party, details of which are set out in Section 2.4 below, which are necessary for the day-to-day operations of Hong Seng Group and are based on normal commercial terms that are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of Hong Seng.

If approved, the Proposed New Shareholders' Mandate shall be valid for the period described in Section 2.6 below.

The RRPT that are contemplated under the Proposed New Shareholders' Mandate comply with Paragraph 10.09(2) of the Listing Requirements and the relevant provisions under items 3.1 and 3.2 of Practice Note 12 of the Listing Requirements.

### **2.2 Details of the Proposed New Shareholders' Mandate**

The Group had, in its ordinary course of business, entered into RRPT(s) and it is anticipated that the companies within Hong Seng Group would, in the ordinary course of the Group's business, continue to enter into such transactions with the Related Party(ies), details of which are set out in Section 2.4 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

HKL Dynamics started to venture into the sale and trading of seafood business in May 2024.

The rationale for Hong Seng Group's decision to venture into the seafood trading business is in line with the Board's strategy to provide additional revenue and income to Hong Seng Group as well as to reduce the reliance of Hong Seng Group's financial performance on its existing business segments. HKL Dynamics is currently sourcing its seafood products locally, primarily from Tawau, Sabah whereby it has entered into an agreement with a supplier namely Legend Family Seafood Trading, for the supply of fresh seafood products in May 2024.

## 2.2 Details of the Proposed New Shareholders' Mandate (Cont'd)

LSW has prior experience in managing food and beverage business of which he currently oversees the seafood trading business of HKL Dynamics with the existing management team. Moving forward, the Group intends to continue recruiting more staff with the necessary expertise as and when required in tandem with the growth of the seafood trading business.

The total transacted sum for the sale and trading of seafood from May 2024 up to the LPD was RM3,903,430.51 and it was sold to Hai Kah Lang. The percentage ratio of the RRPT was 1.01% which had exceeded the percentage ratio of 1% of the total audited consolidated net assets of the Company as at 30 September 2022. Consequently, the Company had on 1 July 2024 announced the said RRPT pursuant to Paragraph 10.09 (1)(a) of the Listing Requirements of Bursa Securities.

In this respect, the Directors are seeking approval from shareholders for the Proposed New Shareholders' Mandate which will allow the Group to enter into RRPTs set out in Section 2.4 with the Related Parties, provided such transactions are made at arms' length, the Group's normal commercial terms and on terms not more favorable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

At the 22<sup>nd</sup> AGM held on 27 February 2023, the shareholders granted a mandate for HKL Dynamics to rent 4 blocks of single-storey factory building, a single-storey office building and a single-storey canteen and storage areas ("the Factory") from HS Vision One Sdn. Bhd. ("HSVO"). On 31 May 2023, HSVO has disposed the Factory to a third party. Subsequently, HSVO has terminated the tenancy with HKL Dynamics and HKL Dynamics has entered into a new tenancy with a third-party landlord. The actual value transacted from 27 February 2023 up to 31 May 2023 was RM390,000.00. As a result, the Company will not seek its shareholders approval for the renewal of the said transaction in the forthcoming 23<sup>rd</sup> AGM.

## 2.3 Principal Activities of Hong Seng Group

The principal activity of Hong Seng is investment holding. The principal activities of the subsidiaries as at LPD are as follows:-

Name of Company	Effective Equity Interest (%)	Principal Activities
<b>Held by the Company:</b>		
Hong Seng Capital Sdn. Bhd.	100	Money lending
HKL Dynamics	85 <sup>(a)</sup>	Manufacturing and trading of rubber gloves and trading, packing and retailing of seafood and food-related products
HS Bio	100	Supply of medical and healthcare related products and related services in addition to the supply chain management services for the healthcare segment.
HS Petchem Logistics Sdn. Bhd.	100	Construction and operation of tank farm facilities for feedstocks storage and related integrated logistics services
Hong Seng Industries Sdn. Bhd.	100	Manufacturing and trading of nitrile butadiene latex and other related business
Victory PE Sdn. Bhd. (formerly known as HS Bio Holdings Sdn. Bhd.)	100	Investment holding
HS Green Valley Sdn. Bhd.	100	Investment holding

Note:

- <sup>(a)</sup> Falcon Odyssey Sdn. Bhd. ("FOSB") holds the remaining 15% equity interest in HKL Dynamics and solely owned by Mr Wong Weng Yew.

### 2.3 Principal Activities of Hong Seng Group (Cont'd)

Name of Company	Effective Equity Interest (%)	Principal Activities
HS Synergy Sdn. Bhd.	100	Trading of latex
CBSA Bizhub Sdn. Bhd.	100	Investment holding
CASD Solutions Sdn. Bhd.	100	Investment holding
<b>Held by HS Bio:</b>		
eMedAsia Sdn. Bhd.	60	Wholesale of pharmaceutical, medical and healthcare related products via an e-commerce platform
HS Cloud Lab Sdn. Bhd.	100	Genetic research and genetic testing, medical diagnostic laboratory and all kinds of laboratory services and related logistics services.
Neogenix Laboratoire Sdn. Bhd.	100	Providing services of medical diagnostic and research laboratory
<b>Held by Neogenix Laboratoire Sdn. Bhd.</b>		
Neogenix (Sabah) Sdn. Bhd.	60	Genetic research and genetic testing, medical diagnostic laboratory and all kinds of laboratory services
<b>Held by HS Green Valley Sdn. Bhd.</b>		
Premiumway Development Sdn. Bhd.	100	Property investment

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## 2.4 Classes of Related Parties and Nature of RRPT

Details of the RRPT, including the classes of Related Parties with whom the RRPT will be carried out and the nature of such transactions contemplated shall include those described below:-

Transacting Company within the Group	Transacting Parties	Interested Related Parties	Nature of Transactions	Estimated aggregate value* of the RRPT from the date of the 23 <sup>rd</sup> AGM to the next AGM (RM'000)
HKL Dynamics	Hai Kah Lang <sup>(d)</sup>	LSW <sup>(a)</sup> LPN <sup>(b)</sup> LYB <sup>(c)</sup>	Sale and trading of seafoods	40,000

### Notes:-

\* The estimated values are determined based on the Management's best estimate of the expected value of the transactions to be entered into and hence, the actual value of such transaction may differ from the estimated values disclosed above.

### Nature of relationships

The RRPT involves the interests of the following Related Parties:-

- (a) LSW is an Executive Director, a substantial shareholder of the Company and a Director of HKL Dynamics. He is also the spouse of LPN, a Director and shareholder of Hai Kah Lang and Hai Kah Lang Holding and the brother-in-law of LYB, a shareholder of Hai Kah Lang and Hai Kah Lang Holding;
- (b) LPN is the spouse of LSW and the sister of LYB. She is a Director and shareholder of Hai Kah Lang by virtue of her direct equity interest of 28% and her brother, LYB's direct equity interest of 10% in Hai Kah Lang Holding. She is also a Director and shareholder of Hai Kah Lang Holding. The directors and shareholders and their respective shareholdings in Hai Kah Lang Holding are as follows:

Directors	Shareholders	Percentage Shareholdings
Tan Yang Siah	HKL Dynamics	10%
LPN	LPN	28%
	LYB	10%
	Tan Yang Siah	52%

- (c) LYB is the brother-in-law of LSW and the brother of LPN. He is the shareholder of Hai Kah Lang by virtue of his direct equity interest of 10% and his sister, LPN's direct equity interest of 28% in Hai Kah Lang Holding. He is also a shareholder of Hai Kah Lang Holding.
- (d) Hai Kah Lang is a 51% owned subsidiary of Hai Kah Lang Holding. The directors and shareholders and their respective shareholdings in Hai Kah Lang are as follows:

Directors	Shareholders	Percentage Shareholdings
Tan Yang Siah	Hai Kah Lang Holding	51%
LPN	Tan Yang Siah	19%
Dato' Soo	Breathe Pure Sdn. Bhd <sup>(e)</sup>	30%
Loh Chun Chyuan		

- (e) Breathe Pure Sdn. Bhd. is jointly owned by Noble Pinnacle Sdn. Bhd. (50%) and Dato' Soo (50%). Noble Pinnacle Sdn. Bhd. is 70% owned by Dato' Soo and 30% owned by Lim Yoke Eng.

Save for LPN and LYB, the other shareholders are not a related party to the Directors/Major Shareholders or person connected to the Directors/Major Shareholders of Hong Seng Group.

## **2.5 Basis of estimates**

The abovementioned estimated values in respect of each transaction referred to above are based on prevailing prices obtained from the Related Parties which are reasonable market-competitive prices and are derived based on the normal level of transactions to be entered into by the Group for the period up to the conclusion of the next AGM. The estimated amounts are further based on the assumption that the current level of operations will continue and all external conditions remain constant. Due to the nature of the transactions, the actual value of transactions may vary from the estimated values disclosed above.

In the event when the actual value of the RRPT entered into by the Group, exceeds the estimated value of the RRPT disclosed under Section 2.4 of this Circular by ten per centum (10%) or more, an immediate announcement will be made by the Company pursuant to Paragraph 10.09(2)(e) of Listing Requirements.

## **2.6 Validity Period of the Proposed New Shareholders' Mandate**

The authority from the shareholders of Hong Seng to undertake the Proposed New Shareholders' Mandate, if granted, shall be effective upon the passing of the ordinary resolution for the Proposed New Shareholders' Mandate at the forthcoming 23<sup>rd</sup> AGM and shall continue to be in force until:-

- (a) the conclusion of the next AGM of Hong Seng following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is the earliest.

## **2.7 Review Procedures for RRPTs**

Hong Seng Group has established policies/procedures/measures to ensure that the RRPTs are undertaken on an arm's length basis and on normal commercial terms consistent with Hong Seng's usual business practices and policies, which are not more favourable to the interested parties than those extended to third parties/public and are not detrimental to the interest of the minority shareholders. The management of Hong Seng will ensure that the RRPT with interested parties will only be transacted at the prevailing market rates/prices for the services or products on the usual commercial terms, or otherwise in accordance with applicable industry norms, after taking into account the pricing, the level of services, quality of products and other related factors.

The following methods and procedures have been implemented by Hong Seng Group to ensure proper identification and reporting of RRPT as follows and to ensure that RRPT contemplated under the Proposed New Shareholders' Mandate are undertaken on transaction prices and terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders:

- (a) all transactions to be entered with a Related Party will be reviewed by the senior management who will ascertain if it is an approved RRPT. Such tender, quotation or contract will not be approved unless the terms offered to the Group are comparable with those offered by other unrelated parties for the same or substantially similar type of transactions. The transactions with a Related Party will only be entered into after taking into account the pricing, quality, deliverables, level of service and other related facts including competitive prices of similar products and services in the open market;
- (b) all transactions entered into pursuant to the Proposed New Shareholders' Mandate will be tabled to the AC for review on a quarterly basis. In its review of such transactions, the AC may, as it deems fit, request for additional information pertaining to the transactions.

## **2.7 Review Procedures for RRPTs (Cont'd)**

- (c) all records will be maintained by the Company to capture all RRPT entered into pursuant to the Proposed New Shareholders' Mandate to ensure the relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (d) the AC has and shall continuously review the adequacy and appropriateness of the procedures, as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.
- (e) the pricing for services and products to be provided/supplied and/or received is determined based on the Group's business practices and policies to ensure that the prices and terms and conditions are based on competitive prices of similar products and services in the open market.
- (f) Where practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for substantially similar products or services and/or quantities will be used as a comparison to determine whether the price and terms offered to/by the Related Party 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.
- (g) In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed transactions, the AC shall review the transaction price based on the usual business practices of the Group to ensure that the RRPT are not detrimental to the Company and the Group.

## **2.8 Threshold for approval of RRPT**

The threshold for approval of RRPT within Hong Seng Group is as follows:

- (a) The RRPT which is below RM1.0 million in value for each transaction is subject to the approval of any one (1) of the Executive Director of the Company provided that the Executive Director is not an interested party to the transaction and table to the AC every quarter for information. For RRPT where the Executive Director is an interested party, such RRPT shall be approved by the Board (with all interested parties abstaining from voting.)
- (b) The RRPT which is RM1.0 million and above or 1% of any percentage ratios shall be reviewed and approved by the AC and the Board before the transaction is entered into.

## **2.9 Statement by the AC**

The procedures and processes of RRPTs as set out in the section above are and will be reviewed annually by the AC. The AC of the Company is of the view that the Hong Seng Group has in place adequate procedures and processes to monitor, track and identify the RRPT in a timely and orderly manner.

The AC has also reviewed the RRPT and is of the opinion that the review procedures in Section 2.7 above are sufficient to ensure that the RRPT are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

## **2.10 Disclosure in the Annual Report**

Disclosure will be made in the Company's Annual Report in respect of the Proposed New Shareholders' Mandate and in the annual reports for subsequent years that the Proposed New Shareholder's mandate continues to be in force in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of RRPT(s) made during the financial year, amongst others, based on the following information:-

- (a) type of the RRPT(s) entered into; and
- (b) the names of the Related Parties involved in each type of the RRPTs entered into and their relationship with the Company.

### **3.0 RATIONALE AND BENEFITS FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The rationale for and benefits of the Proposed New Shareholders' Mandate to Hong Seng Group are as follows:

- (i) the Proposed New Shareholders' Mandate will empower the Group to enter into transactions with the Related Party which are necessary in the day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, are not more favourable to the Related Parties than those generally made available to the public and are not detrimental to the minority shareholders;
- (ii) the Proposed New Shareholders' Mandate will eliminate the need for convening of general meetings on an ad hoc basis and hence will reduce substantially the administrative time, inconvenience and expenses associated therewith; and
- (iii) the RRPT entered into by the Group are intended to meet business needs at the best possible terms and to allow the Group to tap into the expertise of the Related Parties which will be of benefit to all the companies within the Group.

### **4.0 EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The Proposed New Shareholders' mandate will not have any effects on the issued share capital and substantial shareholders' shareholdings of the Company and are not expected to have a material impact on the gearing of the Group.

However, the Proposed New Shareholders' is expected to contribute positively to the Group's future earnings and net assets as and when the benefits of the RRPT are realised.

### **5.0 APPROVAL REQUIRED**

The Proposed New Shareholders' Mandate is subject to the approval of the shareholders of the Company at the forthcoming 23<sup>rd</sup> AGM of the Company.

### **6.0 AMOUNT DUE TO AND AMOUNT OWING BY THE RELATED PARTIES PURSUANT TO THE RRPT**

There was no amount due to and owing by Related Parties to Hong Seng Group pursuant to RRPT which has exceeded the credit term. As such, the disclosures are required under Paragraphs 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

### **7.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save as disclosed below, none of the other Directors, major shareholders and/or persons connected with the Directors and/or major shareholders, have any interest, either direct or indirect, in the Proposed New Shareholders' Mandate.

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The details of the Interested Related Parties together with their respective shareholdings in the Company, as at LPD, are as follows: -

Interested Related Parties	Shares			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b>INTERESTED DIRECTOR #</b>				
LSW	275,000,000	5.383	-	-
<b>INTERESTED PERSONS CONNECTED ###</b>				
LPN	-	-	-	-
LYB	-	-	-	-

Notes: -

# Shareholding as per the Register of Directors' Shareholdings as at LPD.

### Shareholding as per the Register of Substantial Shareholders' Shareholdings as at LPD.

The abovementioned interested Director has and will continue to abstain from all board deliberations and voting in relation to the RRPTs on the Proposed New Shareholders' Mandate. LSW will abstain from voting in respect of his direct shareholding in Hong Seng on the resolution relating to the Proposed New Shareholders' Mandate at the forthcoming 23<sup>rd</sup> AGM of the Company.

In addition, the said interested Director has undertaken to ensure that persons connected to him will abstain from voting in respect of his direct shareholding in Hong Seng on the resolution relating to the Proposed New Shareholders' Mandate at the forthcoming 23<sup>rd</sup> AGM of the Company.

## 8.0 DIRECTORS' RECOMMENDATION

The Board (save for the Interest Director in Section 7.0 of this Circular), having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the entry into RRPT between the Group and those Related Parties described in Section 2.4 of the Proposed New Shareholders' Mandate in the ordinary course of business is fair, reasonable and in the best interest of the Group.

For the reason stated above, the Board (save for the Interested Directors in Section 7.0 of this Circular) recommends that you vote in favour of the resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 23<sup>rd</sup> AGM of the Company.

## 9.0 23<sup>RD</sup> AGM

The Proposed New Shareholders' Mandate will be tabled at the 23<sup>rd</sup> AGM of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 29 August 2024 at 9.00 a.m. The Notice of the 23<sup>rd</sup> AGM which sets out the resolution to consider the Proposed New Shareholders' Mandate together with the Proxy Form relating thereto are available on the Company's website at <https://www.hongseng.com.my>.

If you are unable to attend and vote in person at the 23<sup>rd</sup> AGM, you may complete the Proxy Form in accordance with the instructions printed thereon as soon as possible and deposit it with the Poll Administrator appointed by the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively electronically lodged via TIIH Online website at <https://tiih.online> not later than forty-eight (48) hours before the time set for the meeting. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

**10.0 FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix I set out in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**HONG SENG CONSOLIDATED BERHAD**

**LESTER CHIN KENT LAKE**  
Executive Director

**PART B**

**LETTER TO THE SHAREHOLDERS OF THE COMPANY IN RELATION TO  
THE PROPOSED CHANGE OF NAME**



# HONG SENG CONSOLIDATED BERHAD

Registration No. 200101001581 (537337-M)  
(Incorporated in Malaysia)

## Registered Office

Third Floor, No. 77, 79 & 81  
Jalan SS 21/60  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan

31 July 2024

## Board of Directors

Christopher Chan Hooi Guan (*Executive Director*)  
Lee Li Chain (*Executive Director*)  
Leong Seng Wui (*Executive Director*)  
Lester Chin Kent Lake (*Executive Director*)  
Dato' Kang Chez Chiang (*Independent Non-Executive Director*)  
Leong Kam Soon (*Independent Non-Executive Director*)  
Yap Kien Ming (*Independent Non-Executive Director*)

**To: The shareholders of Hong Seng**

Dear Sir/Madam,

## **PROPOSED CHANGE OF NAME OF THE COMPANY FROM “HONG SENG CONSOLIDATED BERHAD” TO “HKL CONSOLIDATED BERHAD”**

---

### 1.0 INTRODUCTION

On 4 July 2024, the Board announced that the Company proposed to change its name from “Hong Seng Consolidated Berhad” to “HKL Consolidated Berhad”.

The purpose of this Circular is to provide you with the relevant details and information of the Proposed Change of Name and seek your approval for the Special Resolution to be tabled at the forthcoming 23<sup>rd</sup> AGM of the Company.

**SHAREHOLDERS OF HONG SENG ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CHANGE OF NAME AT THE FORTHCOMING 23<sup>RD</sup> AGM.**

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## **2.0 DETAILS OF THE PROPOSED CHANGE OF NAME**

The Proposed name “HKL Consolidated Berhad” was approved by the CCM on 4 July 2024 and the reservation period for the use of the proposed new name is valid for a period of thirty (30) days from 4 July 2024 and has been extended to 2 September 2024. Subsequently, and if so required, the Company will continue to extend the reservation period with the CCM.

In conjunction with the Proposed Change of Name, the Constitution of the Company will be amended accordingly to reflect the Proposed Change of Name whereby all references in the Constitution to the name of “Hong Seng Consolidated Berhad”, wherever the same may appear, shall be substituted with the name of “HKL Consolidated Berhad”.

## **3.0 RATIONALE FOR THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name is undertaken to provide a new corporate identity and image for the Company. Furthermore, it catalyzes to strengthen public confidence in the Company’s endeavours.

## **4.0 EFFECTS OF THE PROPOSED CHANGE OF NAME**

The Proposed Change of Name will not have any effects on the Company’s issued share capital and substantial shareholdings, net assets, gearing, and earnings per share.

## **5.0 APPROVALS REQUIRED**

The Proposed Change of Name is subject to the approval being obtained from the shareholders at the forthcoming 23<sup>rd</sup> AGM of the Company.

The Proposed Change of Name, if approved by the shareholders, will take effect from the date of issuance of the Notice of Registration of New Name by the CCM to the Company.

## **6.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors and/or major shareholders and/or persons connected to the Directors and/or major shareholders of Hong Seng has any interest, direct or indirect, in the Proposed Change of Name.

## **7.0 DIRECTORS’ STATEMENT AND RECOMMENDATION**

The Board after having considered all aspects of the Proposed Change of Name, including the rationale, is of the opinion that the Proposed Change of Name is in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the Special Resolution pertaining to the Proposed Change of Name to be tabled at the forthcoming 23<sup>rd</sup> AGM of the Company.

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## **8.0 23<sup>RD</sup> AGM**

The Proposed Change of Name will be tabled at the 23<sup>rd</sup> AGM of the Company to be held at Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 29 August 2024 at 9.00 a.m. The Notice of the 23<sup>rd</sup> AGM which sets out the resolution to consider the Proposed Change of Name together with the Proxy Form relating thereto are available on the Company's website at <https://www.hongseng.com.my>.

If you are unable to attend and vote in person at the AGM, you may complete the Proxy Form in accordance with the instructions printed thereon as soon as possible and deposit it with the Poll Administrator appointed by the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively electronically lodged via TIIH Online website at <https://tiih.online> not later than forty-eight (48) hours before the time set for the meeting. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

## **9.0 FURTHER INFORMATION**

Shareholders are advised to refer to the Appendix I set out in this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**HONG SENG CONSOLIDATED BERHAD**

**LESTER CHIN KENT LAKE**  
Executive Director

## APPENDIX I – FURTHER INFORMATION

### 1.0 DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there is no other fact, the omission of which would make any statement herein misleading.

### 2.0 MATERIAL CONTRACTS

Save as disclosed below, neither Hong Seng nor any of its subsidiaries has entered into any material contracts which are or may be material (not being contracts entered into in the ordinary course of business of the Group) during the 2 years immediately preceding the LPD:

- (i) Shares sale agreement dated 1 October 2021 between HS Bio and Dato' Seri Shahril Bin Mokhtar, Datuk Wan Khalik Bin Wan Muhammad and RZAC Business Sdn. Bhd. ("Vendors") ("SSA") for the acquisition of 510,000 ordinary shares in RZAC Immunesafe Sdn. Bhd. ("RZAC"), representing 51% of the equity interest in RZAC ("Sale Shares") for a total purchase consideration of RM20 million to be satisfied via a combination of cash payment of RM2 million and issuance of 37,800 new ordinary shares in HS Bio ("HS Bio Shares") ("Consideration Shares") at an issue price of approximately RM476 per share.

For information purposes, the issuance of the Consideration Shares representing approximately 1.77% of the enlarged number of issued HS Bio Shares upon the completion of the issuance of Consideration Shares to the Vendors. Arising therefrom, Hong Seng's equity interest in HS Bio is expected to be diluted from 100% to 98.23%.

This acquisition was completed on 30 November 2021, save and except pending the fulfilment of the Conditions Subsequent ("CS") by the Vendors as set out in the SSA, amongst others, delivery of profit guarantee by the Vendors on or before 30 September 2022 ("CS Fulfillment Period"). Upon fulfilment of the CS by the Vendors, HS Bio shall satisfy the remaining sum of RM18 million via the allotment and issuance of new HS Bio Shares to the Vendors.

RZAC's business in the distribution of antibody test kits did not perform as expected due to the lack of market demand for the antibody test and thus no profit was generated by RZAC as at 28 September 2022. As such, the Vendors were unable to meet the profit guarantee, as part of the fulfilment by the Vendors under the CS. In view of the aforementioned and notwithstanding that the CS Fulfillment Period has yet to be due, HS Bio has on 28 September 2022 entered into a letter of termination with the Vendors where they have mutually agreed to terminate the SSA, subject to the terms and conditions of the letter of termination.

Pursuant to the termination, the Vendors shall refund and repay a sum of RM2 million to HS Bio, being the cash consideration, which was previously paid by HS Bio to the Vendors under the SSA. In addition, the Vendors agreed to pay an additional sum of RM2 million (equivalent to 10% of the total purchase consideration under the SSA) being the termination cost to HS Bio. Thereafter, HS Bio shall return the Sale Shares to the Vendors.

The termination was completed on 30 September 2022.

- (ii) Letter of offer dated 1 November 2021 issued by Penang Port Sdn. Bhd. ("PPSB") and accepted by HS Petchem Logistics Sdn. Bhd. ("HS Petchem"), a wholly-owned subsidiary of the Company, for the sub-lease of a part of an industrial land located at Prai Bulk Cargo Terminal, Pulau Pinang measuring 12,140 square meter in area for a period of 20 years for a total rental payment of RM8,529,564.

**2.0 MATERIAL CONTRACTS (CONT'D)**

HS Petchem has received a Letter of Termination from PPSB dated 11 September 2023 to terminate the letter of offer and the underlying sub-lease (“Termination”). HS Petchem had paid a refundable security deposit of RM61,914.00 and first initial payment of the sublease consideration of RM111,445.20 (collectively referred as “the Deposit”) upon execution of the letter of offer. Pursuant to the Termination, PPSB has agreed to forfeit fifty percent (50%) of the Deposit and PPSB shall refund the remaining 50% i.e. RM86,679.60 to HS Petchem within 30 days from 11 September 2023 (“Terms of Termination”).

On 12 September 2023, HS Petchem has accepted the Terms of Termination as agreed liquidated damages. The letter of offer and the underlying sub-lease shall be deemed mutually terminated as of 12 September 2023.

- (iii) Shares sale agreement dated 5 August 2022 between HS Bio and Green Packet Berhad, for the disposal of 6,000 ordinary shares in eMedAsia Sdn. Bhd. (“eMedAsia”), representing 20% of the entire equity interest in eMedAsia for a total cash consideration of RM20 million.

This disposal was completed on 22 September 2022.

- (iv) Shares sale agreement dated 24 August 2022 between HS Bio and Tan Yang Siah, for the disposal of 9,000,000 ordinary shares in Neogenix Sdn. Bhd. (“NSB”), representing 60% of the entire equity interest in NSB for a total cash consideration of RM20 million.

This disposal was completed on 30 September 2022.

- (v) On 29 August 2022, HS Bio has entered into a sale and purchase agreement with a third party to acquire 2 units of shop offices located at 3 Two Square, Petaling Jaya for a total cash consideration of RM2,220,000.

The acquisition of these properties was completed on 21 December 2022;

- (vi) On 29 August 2022, HS Bio has entered into a sale and purchase agreement with a third party to acquire shop offices located at Plaza Glomac, Petaling Jaya for a total cash consideration of RM2,613,700.

The acquisition of these properties was completed on 13 January 2023;

- (vii) Shares sale agreement dated 31 January 2023 between the Company and Innov8tif Consortium Sdn Bhd for the acquisition of 717,570 ordinary shares in Innov8tif Holdings Sdn. Bhd. (“Innov8tif Holdings”), representing 51% of the entire equity interest in Innov8tif Holdings for a total cash consideration of RM30,855,000 (“Acquisition of Innov8tif Holdings”).

Further to the Acquisition of Innov8tif Holdings, the Company has on 12 May 2023 entered into a share sale agreement with Revenue Group Berhad to dispose the 51% of the entire equity interest in Innov8tif Holdings for a total cash consideration of RM36 million.

The Acquisition of Innov8tif Holdings and disposal was completed on 26 May 2023.

- (viii) Shares sale agreement dated 13 February 2023 between the Company and CSH Alliance Berhad (“CSH”) for the proposed acquisition of 5,000,000 ordinary shares in Alliance EV Sdn. Bhd. (“AEV”), representing the entire issued share capital in AEV, for a total cash consideration of RM20 million.

Subsequently, on 13 April 2023, the Company has entered into a letter of termination with CSH to mutually agree to terminate the shares sale agreement above.



**2.0 MATERIAL CONTRACTS (CONT'D)**

- (v) Termination agreement dated 20 May 2024 between Hong Seng Industries Sdn. Bhd. (“HSI”), a wholly-owned subsidiary of the Company, and Northern Corridor Implementation Authority (“NCIA”) to mutually agree to terminate the Sublease Agreement dated 25 June 2021 (“Sublease Agreement”) entered between the parties.

Pursuant to this termination, the parties shall enter into a new sublease agreement for the sublease of a parcel of land measuring 10.42 acres located within Kedah Rubber City (“Alternate Land”) for a period of 60 years at a total sublease consideration of RM4,538,952 (“Alternate Land Sublease Consideration”) (“Alternate Land Sublease Agreement”).

NCIA acknowledged that HSI had paid a total advance of RM11,173,140.00 (“Sublease Advance”) to NCIA towards the sublease consideration under the Sublease Agreement. The parties agreed that the Sublease Advance shall be repaid by NCIA to HSI in the following manner:

- (a) Upon the execution of the Alternate Land Sublease Agreement, the sum of RM4,538,952.00 of the Sublease Advance will be offset against the Alternate Land Sublease Consideration payable by HSI to NCIA under the Alternate Land Sublease Agreement; and
- (b) The balance Sublease Advance of RM6,634,188.00 shall be refunded by NCIA to HSI in full within 30 days from the date of execution of the Alternate Land Sublease Agreement.

On the date of this termination agreement, the Sublease Agreement shall terminate and be of no further effect and no party shall have any claim against the other party arising out of or in relation to the Sublease Agreement, save and except for NCIA’s obligation in respect of the Sublease Advance as stated above.

**3.0 MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, neither the Company nor any of its subsidiaries is engaged in any material litigation, claim or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company and the Group and the Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group.

**4.0 MATERIAL COMMITMENT**

The Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which upon becoming enforceable, may have a material impact on the financial position of the Company and/or the Group.

**5.0 CONTINGENT LIABILITIES**

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Company or the Group, which upon becoming enforceable, may have a material impact on the financial position of the Company and/or the Group:

<b>APPENDIX I – FURTHER INFORMATION</b> <i>(cont'd)</i>
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	<b>The Group</b> RM'000	<b>The Company</b> RM'000
Corporate guarantee extended to a subsidiary for the banking facilities granted by a financial institution	-	11,364

**6.0 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming 23<sup>rd</sup> AGM:

- a. Constitution of the Company; and
- b. Audited consolidated financial statements for the financial year ended 30 September 2022 and the 18-month financial period ended 31 March 2024.

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**EXTRACT OF NOTICE OF 23<sup>rd</sup> AGM****ORDINARY RESOLUTION 7****PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

"THAT authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries ("the Group") to enter into any of the transactions with the related parties as set out in Section 2.4 of the Circular to shareholders dated 31 July 2024 in relation to the Proposed New Shareholders' Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm's length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed New Shareholders' Mandate was passed, at which time it shall lapse, unless by a resolution passed at the next AGM, the authority is renewed; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed New Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed New Shareholders' Mandate in the best interest of the Company."

**SPECIAL RESOLUTION 2****PROPOSED CHANGE OF NAME OF THE COMPANY FROM "HONG SENG CONSOLIDATED BERHAD" TO "HKL CONSOLIDATED BERHAD" ("PROPOSED CHANGE OF NAME")**

"THAT the name of the Company be changed from "Hong Seng Consolidated Berhad" to "HKL Consolidated Berhad" with effect from the date of the Notice of Registration of New Name to be issued by the Companies Commission of Malaysia AND all references in the Constitution of the Company in relation to the name "Hong Seng Consolidated Berhad", wherever the same may appear, shall be deleted and substituted with "HKL Consolidated Berhad".

AND THAT the Directors and/or Secretaries of the Company be and are hereby authorised to do or procure to be done all acts, deeds, things and to execute, enter into, sign and deliver on behalf of the Company all documents as they may consider necessary, expedient and/or appropriate and to carry out all necessary formalities to give full effect to the Proposed Change of Name."

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