



HONG SENG CONSOLIDATED BERHAD
Registration No.: 200101001581 (537337-M)

Annual Report **2025**



Driving Forward Sustainable Growth

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24TH ANNUAL GENERAL MEETING



Ballroom V, Main Wing,
Jalan Kelab Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya,
Selangor Darul Ehsan



Wednesday, 18 March 2026



10:00 a.m.

CORPORATE INFORMATION

BOARD OF



DIRECTORS

NG KEOK CHAI

(Independent Non-Executive Chairman)

DATUK DR. YACOB BIN MUSTAFA

(Non-Independent Non-Executive Deputy Chairman)

LESTER CHIN KENT LAKE

(Executive Director)

WONG WENG YEW

(Executive Director)

YAP KIEN MING

(Independent Non-Executive Director)

LEONG KAM SOON

(Independent Non-Executive Director)

DATO' KANG CHEZ CHIANG

(Independent Non-Executive Director)

LIM POH LENG

(Independent Non-Executive Director)

AUDIT COMMITTEE

Leong Kam Soon (Chairman)
Yap Kien Ming
Dato' Kang Chez Chiang

NOMINATION COMMITTEE

Yap Kien Ming (Chairman)
Leong Kam Soon
Dato' Kang Chez Chiang

REMUNERATION COMMITTEE

Yap Kien Ming (Chairman)
Leong Kam Soon
Lim Poh Leng

COMPANY SECRETARIES

Tea Sor Hua (MACS 01324)
(SSM PC No. 201908001272)

Lee Xiang Yee (MAICSA 7068124)
(SSM PC No. 202408000069)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81,
Jalan SS 21/60, Damansara Utama,
47400 Petaling Jaya,
Selangor Darul Ehsan
Tel No. : 03-7725 1777
Email : info@cospec.com.my

PRINCIPAL PLACE OF BUSINESS

No. 5, Jalan 51A/223
Seksyen 51A
46100 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 03-7887 1666
Fax No. : Nil
Website : www.hongseng.com.my
Email : finance@hongseng.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 03-7890 4700
Fax No. : 03-7890 4670
Email :

BSR.Helpdesk@boardroomlimited.com

AUDITORS

Morison LC PLT

(202206000028 & AF 002469)
(Independent Member Firm of
Morison Global)
Chartered Accountants
Level 11-01, Uptown No.03
Jalan SS21/39
Damansara Utama,
47400 Petaling Jaya
Selangor
Tel No. : 03-7491 4419

PRINCIPAL BANKERS

CIMB Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

SOLICITORS

Peter Ling & Van Geyzel

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock name : HONGSENG
Stock code : 0041

CORPORATE STRUCTURE



HONG SENG CONSOLIDATED BERHAD
REGISTRATION NO. 200101001581 (537337-M)



5 YEARS FINANCIAL HIGHLIGHTS

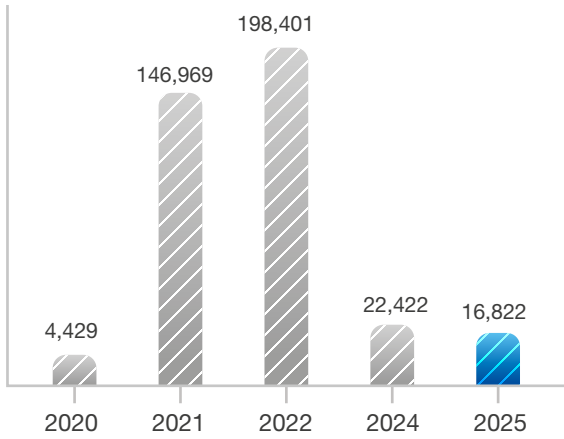
		2020	2021 [#]	2022	2024 ^{##}	2025 [#]
RESULTS OF OPERATION						
Revenue	RM'000	4,429	146,969	198,401	22,422	16,822
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation)	RM'000	(7,504)	71,095	129,389	(80,496)	44,717
(Loss)/Profit Before Taxation	RM'000	(7,458)	69,848	119,170	(99,365)	22,851
(Loss)/Profit After Taxation	RM'000	(7,434)	58,870	102,372	(100,275)	22,255
Net (Loss)/Profit Attributable to Equity Holders	RM'000	(7,434)	46,366	97,192	(91,837)	23,963
FINANCIAL POSITION						
Total Assets	RM'000	65,526	336,625	431,939	345,872	384,317
Total Borrowings and Lease Liabilities	RM'000	1,949	16,199	14,543	23,512	60,423
Equity Attributable To Owners of the Company	RM'000	61,328	272,417	388,327	299,272	311,913
FINANCIAL INDICATORS						
Return On Equity	%	(12.00)	17.00	25.00	(31.00)	8.00
Return On Total Assets	%	(11.00)	14.00	23.00	(27.00)	7.00
Gearing Ratio	times	0.03	0.06	0.04	0.08	0.15
Interest Coverage Ratio	times	(46.41)	139.77	204.94	(44.26)	18.72
(Loss)/Earnings Per Share	sen	(2.33)	1.82	1.90	(1.80)	0.47
Net Assets Per Share	sen	19.25	10.67	7.60	5.86	6.11
Share Price as at The Financial Year/ Period End	RM	0.06	2.42	0.33	0.01	0.01

[#] 18-month period ended 30 September

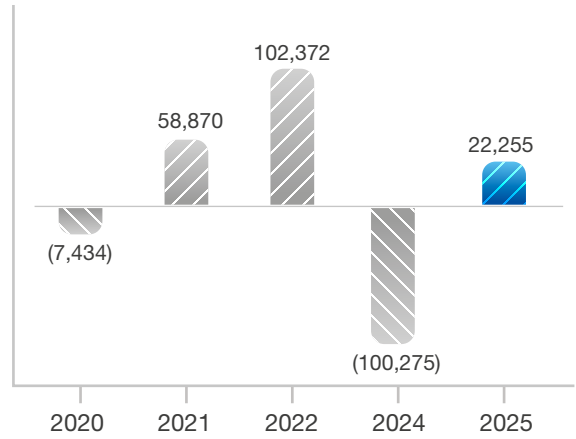
^{##} 18-month period ended 31 March

5 YEARS FINANCIAL HIGHLIGHTS (CONT'D)

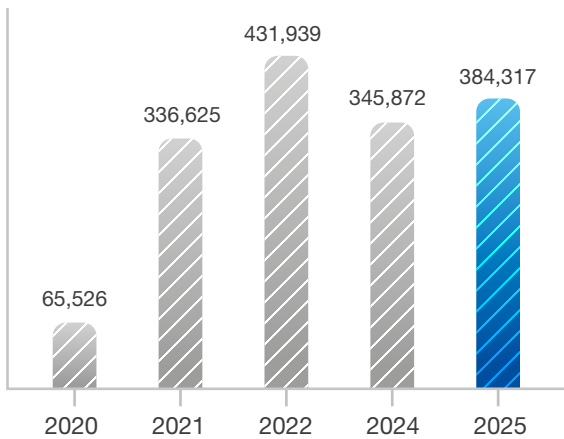
REVENUE
(RM'000)



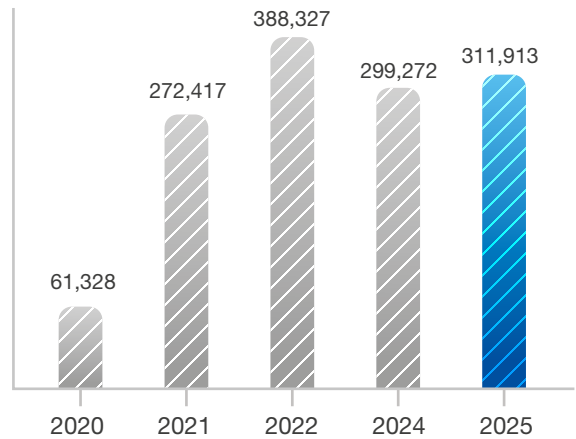
(LOSS)/PROFIT AFTER TAXATION
(RM'000)



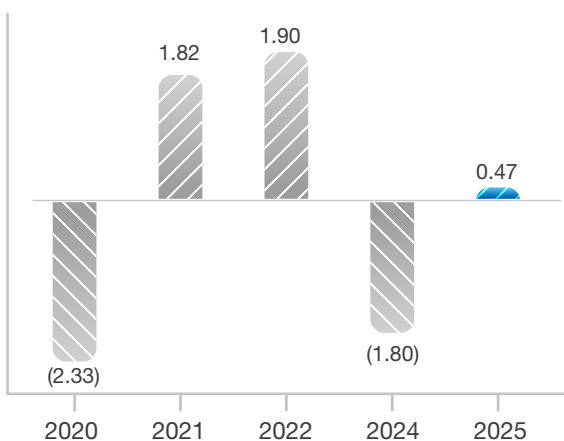
TOTAL ASSETS
(RM'000)



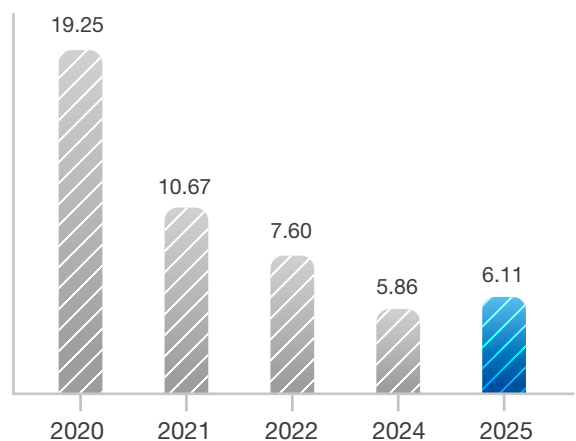
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)



(LOSS)/EARNINGS PER SHARE
(RM'000)



NET ASSETS PER SHARE
(RM'000)



PROFILE OF THE BOARD OF DIRECTORS



NG KEOK CHAI

Independent Non-Executive
Chairman

Mr. Ng Keok Chai (“Mr. Ng”) holds a degree in Bachelor of Laws (Hons) from University of Wolverhampton, London and Certificate in Legal Practice from the Legal Profession Qualifying Board, Malaysia.

Mr. Ng started his early career as a Police Inspector with PDRM in 1982 and was then posted to serve in Sarawak for 20 years until the rank of Assistant Superintendent of Police. During his tenure in Sarawak, his exposure included the Criminal Investigation Department (“CID”), General Duty and Police Field Force.

In 2003, Mr. Ng was transferred to West Malaysia to serve in Commercial Crime Investigation Department until his retirement in 2019. Mr. Ng was promoted to Assistant Commissioner of Police in 2016 and his last held position was Principal Assistant Director in Forensic Accounting Investigation Division, CCID, Royal Malaysia Police, Bukit Aman.

Throughout his 36 years of service in Royal Malaysia Police, he was very much involved in police investigations due to his legal background. He specialised in criminal investigation across various fields which include commercial crime, general crime and forensic accounting with ample management and special operations experience.

Mr. Ng presently sits on the board of directors of Landmarks Berhad as an Independent Non-Executive Director and NexG Bina Berhad (*formerly known as Classita Holdings Berhad*) as an Executive Director.

He does not have any family relationship with any Director and/or major shareholder of the Company. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.



Age

67 Years Old



Gender

Male



Nationality

Malaysian



Date Appointed to the Board

7 November 2025



Attendance at Board meetings held during the financial period ended 30 September 2025

-

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



DATUK DR. YACOB BIN MUSTAFA

*Non-Independent Non-Executive
Deputy Chairman*

Datuk Dr. Yacob Bin Mustafa (“Datuk Dr. Yacob”), C.A(M), FCPA (AUST), has a distinguished career in Malaysia’s public finance sector, culminating as the Accountant General of Malaysia until his retirement in August 2023. Starting his career in 1987, Datuk Dr. Yacob swiftly advanced to key positions within the Malaysian government, including Director of the Central Operation & Agency Services Division and Deputy Accountant General (Operation). His tenure as Accountant General from October 2019 to August 2023 was marked by significant enhancements to the nation’s financial management systems and policies.

Datuk Dr. Yacob’s adaptability and leadership were evident as he worked under multiple finance ministers, greatly influencing Malaysia’s fiscal strategic and public sector financial governance.

His influence extends to several board and committee roles, enhancing public finance and administration. He has been a member of the Audit Committee of Perbadanan Insurans & Deposit Malaysia (PIDM) since 2019, and the Finance & Investment Committee of Majlis Agama Islam Wilayah Persekutuan (MAIWP) since 2022. In 2023, he joined the Audit Committee of the Razak School of Government.

Recognized by the Global Accounting Hall of Fame in 2018, Datuk Dr. Yacob’s extensive experience and expertise make him a valuable candidate for senior advisory or directorial roles, contributing significantly to financial governance and policy development.

Datuk Dr. Yacob does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.



Age
64 Years Old



Gender
Male



Nationality
Malaysian



Date Appointed to the Board
2 September 2024



Attendance at Board meetings held during the financial period ended 30 September 2025
5/5

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



LESTER CHIN KENT LAKE

Executive Director



Age

41 Years Old



Gender

Male



Nationality

Malaysian



Date Appointed to the Board

11 February 2021



Attendance at Board meetings held during the financial period ended 30 September 2025

8/8

Mr. Lester Chin Kent Lake ("Mr. Lester Chin") started his career in the equity research and corporate finance industry as a Management Associate at RHB Investment Bank where he was promoted to Assistant Manager within two (2) years. During his stint as the Assistant Manager, he was responsible for ensuring the timely preparation of all relevant documents and assisting in reviewing documents to ensure high professional quality is maintained while providing support in initial public offers, merger and acquisition, disposal and other corporate transactions and others.

In 2011, he was appointed as an Equity and Technical Research Analyst at RHB Research Institute gaining experience dealing with both institutional and retail clients. His portfolio included the rubber glove and healthcare companies as well as technical analysis.

Subsequently, he joined UOB Kay Hian as the Head of Retail Research/Senior Analyst from 2013 until 2017. He was tasked to conduct detailed equity research, including analysing and forecasting industry trends and articulating recommendations on sectors and stocks in designated segments, overseeing production and coordination of retail research reports and events, overseeing educational seminars and presentations for retail investors, active monitoring of the micro and macro factors affecting the sectors and companies under coverage, etc.

In October 2020, Mr. Lester Chin departed from UOB Kay Hian as the Associate Director of Equity Capital Markets, a position he held since 2017. In this role, he was responsible to oversee equity underwriting and placement activities of the company, accessing requirements, examining strategies, and proposing solutions for the capital raising needs of corporate clientele, conduct roadshows and presentations to enhance and improve issuers access to capital markets among others.

With over twelve (12) years of experience in the finance industry, Mr. Lester Chin is currently in the midst of establishing his own business venture.

Mr. Lester Chin is a substantial shareholder of the Company by virtue of his direct interest in Radiance Dynasty Sdn. Bhd., a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016.

He does not hold any directorship in any other public companies and listed issuers but holds directorships in several private limited companies.

Mr. Lester Chin does not have any family relationship with any Director and/or major shareholder. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



Mr. Wong Weng Yew (“Mr. Wong Weng Yew”) graduated from the Universiti Tunku Abdul Rahman, with a Bachelor of Commerce (Honours) Degree in Accounting. Following this, he took Professional Qualification in Accounting at Chartered Accountant of Malaysia.

Mr. Wong Weng Yew overall has more than 10 years experience in financial audit, internal audit and information systems audit. During his tenure in PricewaterhouseCoopers LLP, Singapore, he manages and provides advisory for business processes, IT auditing and security review.

His professional qualifications include Chartered Accountant accreditation in Malaysia and Singapore, a fellow member of Association of Chartered Certified Accountants (ACCA) and Certified Internal Auditor (CIA). He is currently the Chief Executive Officer of HKL Dynamics Sdn. Bhd., a glove manufacturing company.

Mr. Wong Weng Yew does not hold any directorship in other public companies and listed issuers but holds directorships in several private limited companies.

He does not have any family relationship with any Director and/or major shareholder. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.

WONG WENG YEW

Executive Director



Age
42 Years Old



Gender
Male



Nationality
Malaysian



Date Appointed to the Board
30 September 2024



Attendance at Board meetings held during the financial period ended 30 September 2025
5/5

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



YAP KIEN MING

*Independent Non-Executive Director
Audit Committee (Member)
Nomination Committee (Chairman)
Remuneration Committee (Chairman)*



Age
61 Years Old



Gender
Male



Nationality
Malaysian



Date Appointed to the Board
19 September 2018



Attendance at Board meetings held during the financial period ended 30 September 2025
8/8

Mr. Yap Kien Ming ("Mr. Yap") graduated with a Bachelor Degree of Arts in Economics and Marketing from the University of Brock, Canada.

He began his career as a Strategic Management Executive with Kein Hing Industries Sdn. Bhd., where he served for five (5) years. During this time, he had started and headed the Purchasing Department, In addition, Mr. Yap had also put in place a stock system besides heading the Purchasing Department. He was also responsible for an integrated stamping, machining and surface grinding line and Sales and Marketing with clients that included Sanden, Sharp, Nippondenso, Matsushita, Clipsal and PDL Switch Gear Manufacturers. He was also responsible for a Licensed Manufacturing Warehouse, a joint venture between three (3) Japanese manufacturers, namely Tomen, Matsushita, Meiwa and Kein Hing Industries Sdn. Bhd.

Subsequently, he joined Polychem Sdn. Bhd. as its Regional Product Manager which is a manufacturers agent for hand tools, cutting tools and non-ferrous materials from the United Kingdom, Europe and Australia, where he had served a wide range of industries from automotive, mould and die, oil and gas and electrical, electronics manufacturers.

In the last decade, he was appointed as the Regional Sales Manager for Garryson (now under ATA Tools.), and responsible for the Sales and Marketing for China, Indonesia, Malaysia, Singapore and Thailand. During his tenure, he was involved in Business Development, Sales and Distribution channels, Technical Training and Support to dealers around the region.

Mr. Yap has vast experience in Technical Sales and Cross Cultural marketing in Asia and his primary focus was in the oil and gas, aerospace and shipping industry and is now the Director in Takaso Trading Sdn. Bhd.

Mr. Yap does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



LEONG KAM SOON

*Independent Non-Executive Director
Audit Committee (Chairman)
Nomination Committee (Member)
Remuneration Committee (Member)*

Mr. Leong Kam Soon (“Mr. Leong”) is a fellow member of both the Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants. He is also a member of the Malaysian Institute of Accountants.

Mr. Leong was the Deputy Director of Finance of Stamford College Berhad from 2001 before being promoted as the Chief Financial Officer in October 2007. He held the position till September 2014 having served in Stamford College Berhad for well over thirteen (13) years before deciding to pursue a career as a freelance Financial Consultant. He has retired since 2020.

Prior to joining Stamford College Berhad, he worked as a Finance Manager for a multi-national company specialising in the manufacture of packaging material for beverages and was posted to the People’s Republic of China (“PRC”) for seven (7) years. He returned to Malaysia in July 2001 and joined Stamford College Berhad on 20 August 2001 as its Deputy Director of Finance. Prior to the PRC employment, he was the accountant for a subsidiary of a listed plantation group for three (3) years.

Mr. Leong does not hold any directorship in other public companies and listed issuers.

He does not have any family relationship with any Director and/or major shareholder. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.

 **Age**
68 Years Old

 **Gender**
Male

 **Nationality**
Malaysian

 **Date Appointed to the Board**
26 August 2021

 **Attendance at Board meetings held during the financial period ended 30 September 2025**
8/8

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



DATO' KANG CHEZ CHIANG

*Independent Non-Executive Director
Audit Committee (Member)
Nomination Committee (Member)*

Dato' Kang Chez Chiang ("Dato' Kang") graduated with a Diploma in Police Science from the University of Kebangsaan Malaysia. He is a retired Deputy Commissioner of Police of the Royal Malaysia Police where he had served the Police Force for 39 years and 6 months.

He joined the Royal Malaysia Police in 1979 and served under General Operation Force Department and Narcotics Crime Investigation Department ("NCID"). He has held several posts in NCID, among those are Head of the Intelligence Section, Head of Narcotics Crime Investigation Department Kuala Lumpur Police Contingent, Principal Assistant Director of Intelligence and Operations, Deputy Director of Intelligence and Operations.

Dato' Kang's experience in intelligence investigation, human management and operational skills in the field of NCID works has enabled him to act at an advisory level on drug matters to Police Directors.

Currently, he is also an Independent Non-Executive Director of Velocity Capital Partner Berhad and NexG Bina Berhad (*formerly known as Classita Holdings Berhad*).

He does not have any family relationship with any Director and/or major shareholder of the Company. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.



Age

68 Years Old



Gender

Male



Nationality

Malaysian



Date Appointed to the Board

1 September 2022



Attendance at Board meetings held during the financial period ended 30 September 2025

8/8

PROFILE OF THE BOARD OF DIRECTORS (CONT'D)



LIM POH LENG

*Independent Non-Executive Director
Remuneration Committee (Member)*

Ms. Lim Poh Leng (“Ms. Pauline Lim”) began her career in external audit with PricewaterhouseCoopers in 1997, auditing various public listed and private limited companies. In 2005, she started her internal audit career with Proton as Senior Manager and resumed the position as Head of Internal Audit for Proton in 2012. With her extensive internal audit experience in manufacturing industry, she was asked to join DRB-HICOM Berhad internal audit in 2016 to oversee the internal audit team for manufacturing division.

In 2018, she joined Delcol Industries (M) Sdn. Bhd. (“Delcol”) as Chief Operating Officer to oversee financial and operations of Delcol. After 5 years being involved in the operations at Delcol, she was appointed as the Head of Internal Audit in a new company to prepare the company in getting listed in Nasdaq in USA.

With her extensive audit knowledge and skills for more than 25 years in financial, compliance and operational areas within the manufacturing and service industries, Ms. Pauline Lim has a record of achievement in streamlining audit processes, identifying significant control weaknesses to increase the effectiveness and efficiency of the operations.

Currently, Ms. Pauline Lim serves as the Chief Financial Officer of MMAG Holdings Berhad, where she is responsible for the overall financial strategy, risk management, and corporate governance. In this role, she focuses on driving financial performance, ensuring compliance with regulatory requirements, and implementing strategic initiatives to support the company’s growth objectives.

Currently, she is an Independent Non-Executive Director of APB Resources Berhad.

Ms. Pauline Lim does not have any family relationship with any Director and/or major shareholder. Neither he has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and its subsidiaries nor convicted of any offences within the past five (5) years. There were no public sanctions or penalties imposed by the regulatory bodies during the financial period ended 30 September 2025.



Age
53 Years Old



Gender
Female



Nationality
Malaysian



Date Appointed to the Board
30 September 2024



Attendance at Board meetings held during the financial period ended 30 September 2025
5/5

PROFILE OF KEY MANAGEMENT PERSONNEL



**LESTER
CHIN KENT LAKE**

Executive Director



WONG WENG YEW

Executive Director



The profiles of the Key Management Personnel are set out in their respective profile on pages 8 to 9 of this Annual Report.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors (“the Board”) of Hong Seng Consolidated Berhad (“Hong Seng” or “Company”) and its subsidiary companies (“Group”), it is an honour and a privilege to present to you the Annual Report of Hong Seng for the financial period ended 30 September 2025 (“FPE 2025”).



Reflecting on FPE 2025, we see sustained indicators of economic resilience both at home and abroad. Despite ongoing geopolitical tensions and fluctuations in currency markets, Malaysia’s economic foundations remained robust, bolstered by consistent domestic demand and a gradually strengthening labor market.

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programmes. Investment activity was underpinned by continued capital expansion by both private and public sectors. On the external front, net exports registered higher growth as export growth outpaced import growth.

Apart from assessing the domestic economy as fundamentally resilient, external headwinds pose a risk to the outlook. Key downside risks include a further escalation of trade tensions, a broader shift toward protectionist policies, and persistent geopolitical uncertainty. These factors could drive up global commodity prices, disrupt supply chains, and increase import costs. Furthermore, tariff-related uncertainty is expected to persist, with its full economic impact unfolding gradually over time.

Despite the challenging operating conditions, we are delighted to have navigated the challenging landscape, persevering and prevailing over adversity thanks to the support and contributions of our entire team. During the financial period under review, the Group took steps to enhance management and operational efficiency while strengthening its financial position. This included streamlining core assets to maintain a competitive, lean, and agile structure. We also further expanded our strategic and commercial partnerships and are grateful to our business partners for their ongoing trust and support. In the coming year, the Group aims to develop new and innovative solutions and services.

FINANCIAL RESULTS

Our Group recorded a revenue of RM16.82 million for FPE 2025 and profit before interest and tax (“PBIT”) of RM24.94 million for the financial period-to-date, mainly due to the gain on disposal of an investment in an associate amounting to RM20.59 million, a net reversal of impairment on financial assets of RM1.66 million, a reversal of impairment loss on fixed assets of RM4.36 million, a fair value gain on quoted investments of RM36.23 million and a gross gain of RM4.74 million from the financial services segment. These gains were partially offset by a gross loss of RM26.84 million from the gloves segment and administration expenses of RM12.38 million.

CHAIRMAN'S STATEMENT (CONT'D)

MARKET OUTLOOK AND PROSPECT

2025 has been a year defined by complex global dynamics and shifting trade policies which includes prolonged US tariff negotiations. While global growth expectations have slowed down and trade tensions remain elevated, the operating environment continued to be shaped by persistent geopolitical uncertainties.

Malaysia's economy is expected to grow between 4% – 4.5% in 2026, anchored by the expected continuation of domestic demand strength, healthy labour market conditions and the continued rollout of investment projects.

The Group has already commenced the operations for its modified natural rubber glove production lines, with dedicated focus on refining capabilities to consistently meet desired quality standards in the targeted markets. This proactive approach is expected to lead to higher order volumes and its production capacity will also expand in line with the glove market's transitioning from a period of oversupply and price declines to a new phase of steady recovery. The Group remains focused on enhancing the operational efficiency of its modified natural rubber glove production lines, with continuous initiatives to boost productivity and lower production costs. The Group's aims to strike a strategic balance between capitalising on opportunities in the recovering glove market and strengthening the stability of its other business segments.

Beyond the glove segment, the Group benefits from stable operations and steady earnings from its financial services and seafood trading businesses. These segments provides foundation that bolsters the Group's resilience amid volatile economic conditions.

The financial performance for FPE 2025 presents a mix of challenges but we are cautiously optimistic. Looking ahead, the Group will prioritise capital allocation toward segments with stronger profitability potential and sustainable growth prospects, while upholding prudent cost management and operational discipline across all divisions.

The Board will exercise cautious and will continue to manage and guide the businesses of our Group with vigilance taking into account of the potential impact from all the global factors that will bring to the business environment. Our focus in the coming year will be to strengthen our foundation which includes driving productivity, improving operational discipline and ensuring that our cost structures remain resilient. At the same time, we will continue to explore new approaches and opportunities that can enhance efficiency and create value in support of our long-term ambitions. The Group will also continue to stay vigilant on regulatory developments across our operating environment and remain proactive in assessing potential implications on the business.

ACKNOWLEDGEMENT

On behalf of the Board and the Group, I would like to express my sincere appreciation to all our shareholders, business partners, customers and suppliers for their steadfast support and trust.

A special thank you goes to our management team and dedicated staff. Your unwavering focus on our goals have been the engine of our progress. This collective resilience has not only driven the Group forward but has also strengthened our foundation for future success. We are profoundly grateful for your dedication.

Finally, I wish to convey my deep appreciation to our Board members. I am grateful for your invaluable guidance and wisdom. Your belief in our Group serve as a cornerstone of our progress.

Looking ahead, the Board and the management team are fully committed to overcoming the challenges that lie ahead. We remain focused on enhancing the Group's prospect and continuing to create value for our shareholders.

NG KEOK CHAI

Independent and Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

As the global economy adjusts to a new era of trade and industrial policy, the initial phase of sharp tariff increases has given way to a more moderated environment, shaped by recent negotiations and economic deals. Global growth is projected to slow from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026¹. Inflation is projected to continue to decline globally. Prolonged uncertainty, more protectionism, and labor supply shocks could reduce growth. Fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability.

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programmes. Investment activity was underpinned by continued capital expansion by both private and public sectors.

Although we assess the domestic economy as fundamentally resilient, external headwinds pose a risk to the outlook. Key downside risks include a further escalation of trade tensions, a broader shift toward protectionist policies, and persistent geopolitical uncertainty. These factors could drive up global commodity prices, disrupt supply chains, and increase import costs. Furthermore, tariff-related uncertainty is expected to persist, with its full economic impact unfolding gradually over time.

To navigate these headwinds, we have adopted a disciplined, forward-looking stance. Our priority is ensuring we possess the optimal strategies, the right talent, and the necessary resources to adapt and perform under any economic conditions we may face.

Note:

¹ - <https://www.imf.org/en/publications/weo/issues/2025/10/14/world-economic-outlook-october-2025>

GROUP'S BUSINESS AND OPERATIONS OVERVIEW

Hong Seng Consolidated Berhad ("Hong Seng" or "the Company") is an investment holding company. Together with its subsidiaries ("the Group"), the Group is principally involved in the business of gloves manufacturing and trading, financial services and healthcare, and seafood business.

The escalating cost of raw materials, turbulence of supply and demand as well as heightened competition continued to persist in 2025. Amidst macroeconomic and operational challenges, we remained dedicated to growth, innovation, and the long term success of the Group. We strived to uphold excellence in every aspect of our operations, ensuring that our offerings consistently met and exceeded the expectations of our clients.

Throughout the financial period, the Group continues to prioritise on the following core areas:

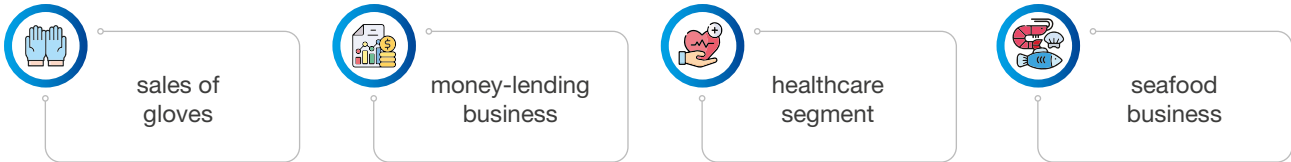
- improving the operational efficiency as well as revamping its non-profitable business lines;
- continued cost optimisation through digitalisation and automation;
- improving revenue and profitability through innovative solutions that align with the evolving needs of the market; and
- new investments or business opportunities to increase our revenue base and earnings.

The Group maintains a vigilant stance in broadening our income streams, seeking new business opportunities and prospects that adhere to our fundamental investment benchmarks.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

FINANCIAL RESULTS HIGHLIGHTS

For the financial period ended 30 September 2025 (“FPE 2025”), the Group’s revenue was recorded at RM16.82 million. This was mainly contributed by:



Overall, The Group recorded a profit before interest and tax (“PBIT”) of RM24.94 million for the financial period-to-date, mainly due to the gain on disposal of an investment in an associate amounting to RM20.59 million, a net reversal of impairment on financial assets of RM1.66 million, a reversal of impairment loss on fixed assets of RM4.36 million, a fair value gain on quoted investments of RM36.23 million and a gross gain of RM4.74 million from the financial services segment. These gains were partially offset by a gross loss of RM26.84 million from the gloves segment and administration expenses of RM12.38 million.

The non-current assets of the Group as at 30 September 2025 stood at RM227.26 million in comparison to RM218.85 million as at 31 March 2024. The total assets of the Group as at 30 September 2025 stood at RM384.32 million in comparison to RM345.87 million as at 31 March 2024.

The increase in total assets is mainly due to increase in PPE, other investments, short-term loan receivables, inventories, offset by decrease in long-term receivables, cash and bank balances and disposal of investment in an associated company.

Non-current liabilities increased to RM59.11 million from RM21.15 million as at 31 March 2024, due to increase in long-term borrowings. The Group has lowered its current liabilities to RM13.29 million for the FPE 2025 from RM19.79 million recorded as at 31 March 2024 mainly due to the decrease in other payables.

For FPE 2025, the Group’s total liabilities stood at RM72.40 million compared to RM40.94 million as at 31 March 2024, mainly due to the increase in short-term trade payables and long-term borrowings, offset by decrease in other payables during the financial period.

SEGMENTAL RESULTS HIGHLIGHTS

The Group’s glove manufacturing business recorded a revenue of RM7.82 million and a loss before tax (“LBT”) of RM26.84 million respectively. The revenue was derived from the sales of the gloves. The loss was mainly due to stiff competition resulting in lower revenue coupled with fixed and rising labour and overhead costs as well as the financial period end’s impairment assessments on plant and equipment and receivables.

The Group’s financial services segment is primarily the provision of moneylending through its wholly-owned subsidiary, AIMAX Capital Sdn Bhd (“ACSB”). During the FPE 2025, the financial services segment generated RM4.74 million in revenue and a profit before tax of RM1.97 million. The moneylending business has extended RM125.15 million of loans to third party corporate and individual loan debtors in the ordinary course of its business as a licensed moneylender at the financial period end.

Hong Seng’s healthcare segment contributed approximately RM2.08 million in revenue and LBT of RM0.97 million respectively. The loss was mainly due to plant and equipment and inventory written-off resulting from the weak performance in the healthcare segment.

The Group’s seafood business recorded a revenue of RM1.96 million for the FPE 2025. Despite the LBT of RM0.11 million, the seafood trading business is experiencing steady growth and is expected to generate additional earnings for the Group stably.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

OPERATIONS REVIEW

Gloves Manufacturing Business

The foray into natural rubber glove production aligns with the Group's strategy to address the current challenges in the nitrile glove market, such as amongst others, oversupply and intense competition. By diversifying the Group's product offerings and tapping into new target markets in Asia, the Middle East and South America with high demand for natural rubber gloves, the Group aims to align its production capabilities with market needs.

The Group has already commenced the operations for its modified natural rubber glove production lines, with dedicated focus on refining capabilities to consistently meet desired quality standards in the targeted markets. This proactive approach is expected to lead to higher order volumes and its production capacity will also expand in line with the glove market's transitioning from a period of oversupply and price declines to a new phase of steady recovery.

The Group remains focus on stabilising the operations for its modified natural rubber glove production lines while also working on enhancing its presence in targeted markets by consistently meeting quality expectations.

The shift to natural rubber gloves production is part of the Group's strategy to overcome current challenges in the nitrile glove market, such as oversupply and intense competition. The Group is constantly seeking opportunities to expand in our chosen category and diversify our customer base. The Group is optimistic about the substantial untapped potential within our business, recognising the potential for growth and profitability in this market and are committed to leveraging its strengths to capitalise them.

The natural rubber gloves segment also allows for better price recovery as there are lesser competition in this segment both locally and globally. The rubber glove industry is also poised for significant shifts in market dynamics, following the United States' decision to increase tariffs on Chinese medical and surgical gloves from 7.5% to 100% in 2026². This tariff change could further strengthen Malaysian glove manufacturers position in the US market, providing a significant boost to the industry.

Financial Services Business

The financial services segment, which involves moneylending to both corporate and individual borrowers, continues to operate with consistency and stability.

Alternative lending market in Malaysia is expected to grow by 15.5% annually, reaching US\$5.53 billion by 2025. The alternative lending market in the country has experienced robust growth during 2020-2024, achieving a CAGR of 15.8%. This upward trajectory is expected to continue, with the market forecast to grow at a CAGR of 13.2% from 2025 to 2029. By the end of 2029, the alternative lending market is projected to expand from its 2024 value of US\$4.79 billion to approximately US\$9.09 billions³.

The moneylending arm of the Group, ACSB continues to extend its moneylending services to, amongst others, investment holding companies, small and medium enterprises and start-up entrepreneurs of all business segments which it perceives to be underserved by licensed financial institutions for various purposes such as personal financing, working capital, investment, business start-up and expansion, project financing and others, with or without secured collaterals of customers.

In view of the above, the Group anticipates further growth opportunities for its moneylending business segment, generating steady earnings for the Group moving forward.

Note:

² - <https://www.thestar.com.my/business/business-news/2025/02/03/tariffs-on-china-to-have-limited-impact-on-local-gloves>

³ - <https://finance.yahoo.com/news/malaysia-alternative-lending-business-databook-150600124.html>

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

OPERATIONS REVIEW (CONT'D)

Healthcare Business

The nation has now entered into the endemic stage of the pandemic. As such, the Group's healthcare segments have experienced a normalisation downtrend on the sales of Covid-19 test kits at the back of the lower infection rate. Despite the challenges, the Group has diversified into post-pandemic general healthcare-related products and services. This includes laboratory diagnostic services, genomics and biochemistry screening, distribution of other healthcare and pharmaceutical products, and digital healthcare platform solutions.

However, the performance of other healthcare related services requires a longer gestation period for, amongst others, better positioning in the market in terms of specialisation, pricing and services rendered.

The healthcare segment continues to face significant challenges and the Group remains focused on effective cost management and operational restructuring.

Strategic Investment

Acquisition of Hong Seng Frontier Sdn. Bhd.

The Group consistently seeks promising business ventures and opportunities to enhance its current portfolio. As part of its investment approach, the Group intends to strategically hold stakes in publicly listed companies. Investments made are considered to have synergistic potential that can be realised through innovative approaches and collaborative efforts.

AIMAX Assets Sdn Bhd ("AASB"), a wholly-owned subsidiary of the Group, has entered into an agreement to acquire all of Hong Seng Frontier Sdn Bhd ("HSF") from Velocity Capital Partner Bhd involving 250,000 ordinary shares for a total of RM45.25mil.

AIMAX Healthcare Sdn Bhd ("AHSB"), a wholly-owned subsidiary of Hong Seng and a glove manufacturer, is currently leasing the properties held by HSF for its glove manufacturing business. Following the completion of the transaction, HSF is now a wholly-owned subsidiary of the Group.

In the event a relocation is required from the leased properties, it will involve substantial costs, equipment dismantling, and the acquisition of new licenses, which could disrupt operational continuity. Therefore, the Board views that the acquisition to gain the ownership of the properties, aligns with the Group's best interests. This ownership is expected to lead to substantial rental savings to the Group, providing the Group with increased control over operational assets and ensuring the continuity of business activities.

Share Sale Agreement with NexG Berhad

On 8 August 2025, the Company, had entered into a share sale agreement with NexG Berhad. to dispose 402,057,900 Ordinary Shares in NexG Bina Berhad (*a.k.a. Classita Holding Berhad*) ("NexG Bina"), representing 32.61% equity interest in NexG Bina. The disposal had been completed on 8 August 2025.

Following the completion of the transaction, the Company no longer holds any shares of NexG Bina and has ceased to be a major shareholder of Classita. Accordingly, NexG Bina also ceases to be an associate company of the Company.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

RISK MANAGEMENT

Credit Risk

The Group's exposure to credit risk arises primarily from our financial services segment. The loans provided range from secured and unsecured loans, individual loans, to enterprise loans. Due to financial difficulties and limited cash flow, there is a chance that the borrower will postpone or default on the repayment scheduled.

The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an on-going basis, and credit checks using a more stringent process of vetting customer's profiles. The Group will request for collateral from the borrower if the Group assesses the borrower to be of higher risk.

The uncertain global and modest domestic economies potentially pose a challenge to the Group's credit risk in relation to longer collection periods and potentially lead to loss arising from irrecoverable trade receivables. The Group seeks to limit this credit risk through prudent management policies, continuous review and evaluation of the credit status of trade receivables and working closely with the Group's partners.

Fluctuation in the Market Value of Quoted Equity Securities

With any investment in quoted securities, the Group finds itself susceptible to the uncertainties and fluctuations in both local and global economies, which directly impact our capital markets. The profitability of the Group is highly dependent on the market price performance of quoted equity securities which lead to fluctuations in the fair value of the Group's investments. In addition to market volatility, our exposure to liquidity risks has increased due to our substantial holdings in publicly traded securities.

However, these risks can be partially alleviated through effective portfolio management and forward-thinking initiatives led by our Board, which are entrusted with the responsibility of ensuring that strategies are executed in alignment with the Group's best interest, thereby contributing to risk mitigation.

Risks Relating to the Supply and Demand of Rubber Gloves

As glove industry leaders continue to close up obsolete or inefficient production lines or decommission plants, the demand for gloves remains sluggish, as consumers are in the midst of depleting their existing inventory reserves. Additionally, the average selling price has remained low and stagnant. Compounding this, long sales cycles with major customers have resulted in the challenge of a sudden influx of numerous large orders simultaneously.

Our strategic priorities involve improving our product offerings, onboarding new customers, and formulating a comprehensive long-term growth plan to seize potential business opportunities. Through the above, the Group aims to broaden our revenue base, alongside with our other existing businesses.



MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

RISK MANAGEMENT (CONT'D)

Competition Risk

Similar to many businesses, the Group faces intense competition from existing competitors and new entrants. These competitions may impact the Group's market share, revenue, and profitability. The Group's ability to compete depends on many factors, amongst others, the principal elements of competition include quality, innovation in products and technologies, expertise, pricing, reliability, reputation, brand name, and customer service.

Although, there can be no assurance that the Group would be able to sustain its competitiveness against current and future competitors, the Board and the management are constantly devising strategies and plans to mitigate the impact of the competition on our businesses through various initiatives such as sales and marketing efforts, partnerships and government's support or endorsement.

Political, Economic and Regulatory Risk

The Group remains exposed to external risks brought upon by changes in the economic, political, and regulatory environments. Changes in interest rates, inflation rates, employment regulations, fiscal and monetary policies and regulations relating to taxation, licensing or business permits relating to our Group's business as well as other uncertainties may affect our financial condition and results of operations.

While we will continue to take measures to undertake careful financial planning and ensure efficient operating procedures, there is no assurance that adverse political and economic conditions will not materially affect our business. However, with our continuous effort to diversify and expand our customer base and business, we could reduce the susceptibility of our financial performance to any political, economic and regulatory changes.

FUTURE PLANS AND PROSPECTS

In a dynamic economic environment, Hong Seng's strategy is dual-focused: to remain agile in response to market conditions and to pursue strategic growth. This disciplined approach mitigates risk and seizes opportunities to drive higher returns for our investors and shareholders.

Various challenges, including inflationary pressures, currency depreciation, supply disruptions, and labour shortages, continue to contribute to a volatile and unpredictable business environment. Our focus is on proactive risk management. By implementing targeted mitigation strategies, we are strengthening the resilience and adaptability of our operations.

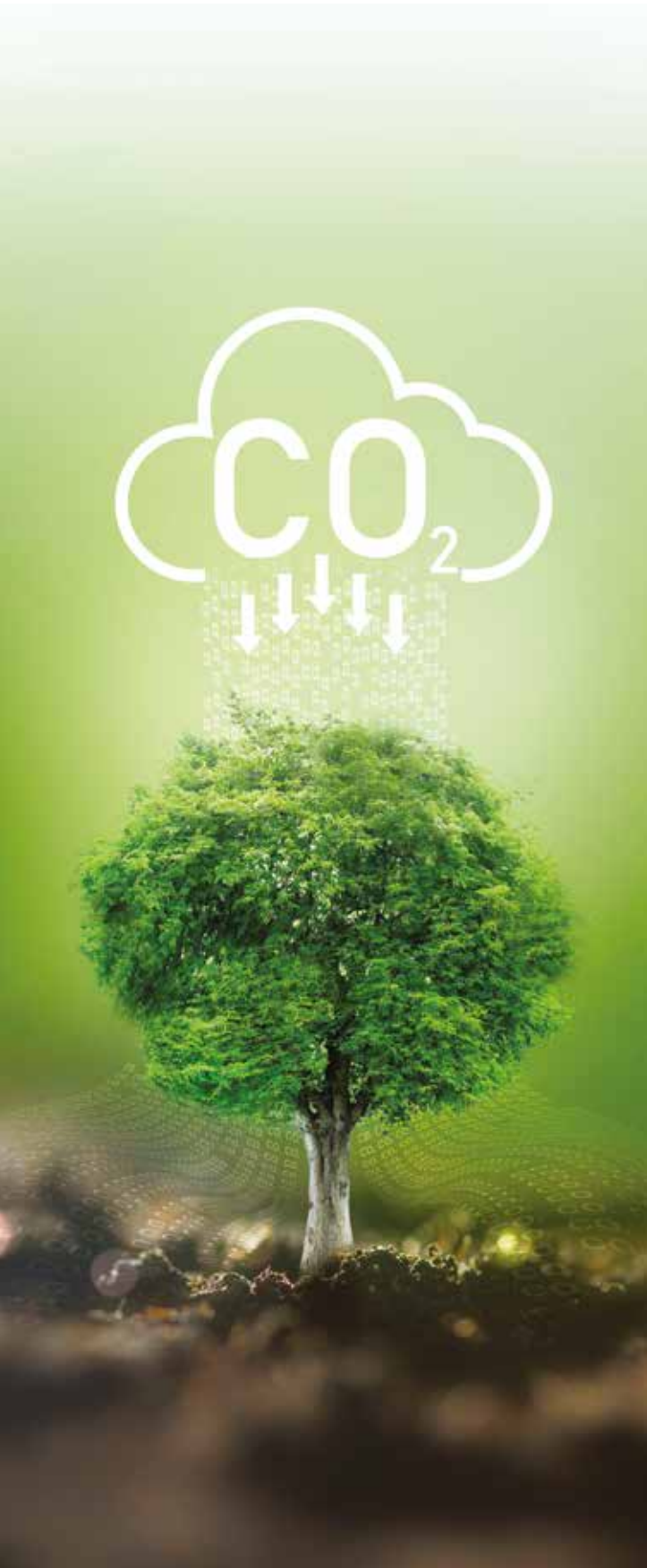
The Board remains cautious of the operating environment and has since embarked on a series of initiatives in an effort to contain both the direct and indirect cost, as well as conducting strategic review on its business model and group structure in order to allow the Group to remain competitive.

To this end, the Group is continuously evaluating potential business ventures and investments to diversify our income streams. Each opportunity is assessed with rigorous due diligence, weighing potential risks and rewards, and we will only pursue those that are demonstrably value-accretive. Concurrently, we are actively exploring new markets for potential collaboration and cross-selling opportunities. This disciplined, proactive approach is designed to strengthen our resilience and safeguard stakeholder interests.

DIVIDEND POLICY

The Board has not adopted a dividend policy. The Board does not recommend any payment of dividend for the FPE 2025.

SUSTAINABILITY STATEMENT



ABOUT THIS STATEMENT

Hong Seng Consolidated Berhad (“**Hong Seng**” or “**the Company**”) is pleased to present its Sustainability Statement (“**Statement**”) for the financial period ended 30 September 2025 (“**FPE 2025**”).

This Statement shows our continued commitment towards sustainability and the impact on economics, environment, social and governance. It presents information and developments related to our practices and performances concerning sustainability matters during the financial year under review.

In addition, this Statement will highlight and discuss our approach and efforts in issues concerning sustainability, particularly, improving and integrating sustainability into our day-to-day operations and business planning, and other Economics, Environmental, Social and Governance (“**EESG**”) related matters.

Overall, this Statement will provide a clear and concise account of what sustainability means to us, and how Hong Seng will strive to deliver long-term value to our shareholders and stakeholders, especially our stakeholders such as customers, suppliers, employees, directors, investors, regulatory authorities and communities around us.

We encourage and welcome feedback from stakeholders in relation to our Statement by contacting us at esg@hongseng.com.my

Assurance Statement

The information presented in the Statement has not undergone assurance by our internal audit function or any other independent sustainability or ESG assurance provider.

The Board of Directors (“**Board**”) of Hong Seng provides ultimate oversight of corporate governance and is collectively accountable for sustainability integration across all business segments.

The Board has reviewed and approved this Sustainability Statement FPE 2025, ensuring that it reflects the Group’s sustainability strategy, risks, opportunities, and commitments. The Board has also reviewed the information provided herein and is satisfied that the information is supported with underlying records and arrived at based on management’s judgement.

Limitations

Hong Seng acknowledges that ongoing challenges in collecting certain data indicators and is actively working towards improving data collection and performance monitoring in relation to our sustainability matters.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY FRAMEWORK AND STANDARDS

Hong Seng develops the Statement according to best practices sustainability framework, standards, and guidelines, such as –

- (i) Main Market Listing Requirements, issued by the Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”),
- (ii) Sustainability Reporting Guidelines issued by Bursa Malaysia,
- (iii) Enhanced Sustainability Reporting Framework, issued by Bursa Malaysia,
- (iv) The United Nation’s Sustainable Development Goals (“**UNSDG**”),

In addition, the Report is prepared in accordance with the following –

- (i) IFRS Sustainability Disclosure Standards – IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (“**IFRS S1**”), and
- (ii) IFRS Sustainability Disclosure Standards – IFRS S2 Climate-related Disclosures (“**IFRS S2**”)

We endeavor to comply with all the latest relevant regulations and legislation in sustainability that concern the Group. As a result, being sustainable is a core part of our business decision-making process, especially in our risk management planning.

This report highlights Hong Seng’s efforts to reduce its carbon footprint, protect the welfare of employees, strengthen supply chain responsibility, expand renewable energy projects, innovate with sustainable products and services, and ensure the highest standards of corporate governance and ethics are adhered to.

SUSTAINABILITY APPROACH

The goal of our approach in sustainability is to contribute to a sustainable future while ensuring our business operations positively impact all stakeholders. Hong Seng stresses the importance of embedding sustainability into our business and approach towards our shareholders and stakeholders, such as our customers, suppliers, employees, directors, investors, regulatory authorities and communities around us.

The sustainability approach of Hong Seng is based on the pillars of EESG which form the main pillars of sustainability, to incorporate economic, environmental, social and governance factors into our day-to-day operations and decision-making in our business planning.

The negative impact from the Covid-19 pandemic, natural disasters and economic turmoil arising from global political instability over the last few years reminded Hong Seng and its subsidiaries (“**Group**”) of the importance of being sustainable in ensuring our survival during a crisis, enhancing our risk management outlook and the importance of our stakeholders especially in taking care of our employees and communities around us, which will provide us the platform to plan on a sustainable basis.

We create awareness among our internal stakeholders of our commitment to sustainability, in terms of the approaches and initiatives. Hence, we continue to encourage our Board and employees, especially our Head of Divisions and departments, to attend trainings, seminars, workshops and talks related to sustainability or ESG matters that are relevant to our business planning, risk management and business operations.





By embedding sustainability at the heart of our operations, Hong Seng strives to balance economic growth with social and environmental responsibility, ensuring a prosperous future for all our stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

REPORTING SCOPE

This Statement covers the sustainability performance of Hong Seng and its related companies (“**Group**”) within Malaysia during FPE 2025, unless stated otherwise.

The core business segments of the Group are as follows:

 <p>Seafood Division Trading of Seafood products</p>	 <p>Financial Services Division Money Lending</p>
 <p>Healthcare Division Marketplace medical diagnostic and research laboratory, and wholesale of pharmaceutical and medical goods</p>	 <p>Gloves Division Manufacturing and trading of gloves</p>

SUSTAINABILITY GOVERNANCE AND BOARD LEADERSHIP

Strong governance is the foundation of Hong Seng’s sustainability journey. The Company believes in the importance of having a proper and functional governance structure. Most importantly, we recognize and conduct our business in a sustainable manner and in accordance with the applicable laws and principles of good governance and highest standard of integrity. We ensure that the governance structure has transparency and accountability in executing its approach and strategies in sustainability, with clearly defined roles and responsibilities for effective decision-making and implementation.

The Board holds ultimate accountability for ESG integration, ensuring that environmental, social, and governance considerations are embedded into strategic decision-making and enterprise risk management. The Board also oversees ESG integration, enterprise risk management, and disclosures.

During financial period ended 31 March 2024 (“**FPE 2024**”), the Board expanded the functions of its Audit Committee (“**AC**”) by incorporating matters concerning sustainability into its functions and duties. The AC will be involved in all sustainability-related matters across the Group, including decision-making process, implementation of actions and strategies, and overseeing ESG-related performance and measurements. The AC will be assisted by a Sustainability Working Group (“**SWG**”).

Supporting these structures are comprehensive policies such as the Anti-Bribery and Corruption (“**ABAC**”) Policy, Whistleblower Policy, Supplier Code of Conduct, Employee Discipline Policy, and Code of Ethics and Business Conduct.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE AND BOARD LEADERSHIP (CONT'D)

Governance Structure

Board of Directors ("Board")

The Board provides oversight to the sustainability practices across Hong Seng, which is supported by the SC. It also oversees sustainability strategy, approves disclosures, and ensures long-term enterprise value creation

Audit Committee ("AC")

The AC comprises members of the Board, and is chaired by an Independent Non-Executive Director. It develop and map out sustainability material matters and issues relevant to Hong Seng, and incorporating sustainability practices into the business model, which encompasses risks (e.g. climate risks) and opportunities. It also monitors ESG priorities and sustainability performance.

Sustainability Working Group ("SWG")

The SWG comprises senior executives and operational leaders or representatives of divisions and departments and are tasked to execute ESG programmes, policies and practices in respect of sustainability and ESG-related matters. SWG also ensures the implementation and execution of sustainability strategies that align to business operations.

Anti-Bribery & Corruption Policy

Supplier Code of Conduct

Code of Ethics and Business Conduct

Whistleblower Policy

The Board strives to continuously be equipped with the necessary knowledge regarding the management of sustainability to drive informed decision-making by attending periodic training and events on the latest development on sustainability. The Board is also cognizant of ensuring that the required competencies in relation to sustainability are periodically assessed to strengthen board leadership and oversight of sustainability matters.

Integration of Governance and Leadership

This structure ensures sustainability is not treated as peripheral but is championed by the highest level of leadership. Each Director has defined accountabilities—ranging from financial stewardship and legal compliance to technology innovation and workforce welfare.

By merging governance with leadership profiles, Hong Seng demonstrates that sustainability is **people-driven as well as policy-driven**.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

Hong Seng recognizes that meaningful stakeholder engagement is the cornerstone of sustainability reporting. The Group has broad range of stakeholder groups that influence or are affected by our activities. Each engagement provides insights into stakeholder concerns, expectations, and opportunities for collaboration.

During FPE 2025, the Group carried out structured engagements with a wide range of stakeholders, including:

Stakeholders	Type of Common Engagement
Customers	Through surveys and feedback sessions, focusing on product quality, delivery standards, and sustainability attributes.
Suppliers and Contractors	Via supplier assessments including ESG practices, briefings, and compliance audits against Hong Seng’s Supplier Code of Conduct.
Employees	Through surveys, town halls, and a grievance mechanism, capturing feedback on workplace safety, welfare, and career development.
Communities	Via Corporate Social Responsibility (“ CSR ”) programs, community consultations near construction sites, and engagement with Non-Governmental Organizations (“ NGOs ”) and local leaders.
Shareholders and Investors	Through Annual General Meetings (“ AGMs ”), analyst briefings, and ESG-focused investor discussions.
Government Agencies / Regulators	Via ongoing compliance dialogues with Bursa Malaysia and relevant government agencies.

Regular Meetings

Hong Seng believes in engaging with various groups of stakeholders regularly to provide updates to them on our latest sustainability initiatives and address areas of concern, as well as ensuring our Group conducts sustainable practices and creates long-term value for our stakeholders. Most importantly, we aim to achieve a mutually beneficial outcome for our Group and stakeholders.

Maintaining Constructive Channels of Communications

The stakeholder groups were identified on their different levels of influence over and dependence on our business. Hong Seng aims to maintain constructive channels of communication with all our key stakeholder groups. As a result, we conduct regular engagements through formal and informal channels, and through these interactions, we identify relevant material issues and provide insights into emerging opportunities and risks whilst responding to their needs effectively.





Apart from that an open and transparent communication manner is always our key priority to maintaining our stakeholder trust. We operate our business especially in risk management, forcing us to be innovative in the way we conduct our business operations, especially in safeguarding the welfare of our employees.

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Addressing Concerns and Expectations

Our stakeholders are our business partners and play a key role in providing solutions to our day-to-day business operations and growth amid the challenges in the local and global economy. As such, it is important for us to ensure that all legitimate concerns and expectations from our stakeholders are taken into consideration through established measures and processes.

Key Stakeholder	Engagement Channels	Area of Concerns	Our Response
Shareholders / Investors 	<ul style="list-style-type: none"> - Annual general meetings - Annual reports, quarterly report & announcement - Audited financial statement 	<ul style="list-style-type: none"> - Current and projected growth opportunities and threats - Funding needs - Risk management - Corporate governance - Sustainability/ESG-compliant and initiatives - Board representation and diversity - Succession plan 	<ul style="list-style-type: none"> - Timeliness in information updates - Sound investor relation - Uphold good corporate governance - Clear outline sustainability strategies
Board of Directors 	<ul style="list-style-type: none"> - Board meetings - Company organized events - Annual general meetings 	<ul style="list-style-type: none"> - Corporate governance - Company strategy & direction 	<ul style="list-style-type: none"> - Economic sustainability - Corporate governance and ethics
Customers 	<ul style="list-style-type: none"> - Customer Satisfaction Survey ("CSS") - Customer Service Channel - Regular visits & meetings - Exhibitions 	<ul style="list-style-type: none"> - Products and services quality - On time delivery - Stock availability - Customer relations management 	<ul style="list-style-type: none"> - Quality of product and services - Response to customer service - Update on customer demand - Innovative and ESG driven design without comprising quality and value
Suppliers / Vendors / Contractors 	<ul style="list-style-type: none"> - Interviews - Feedback survey - Ongoing meetings and interactions - Suppliers/subcontractors' performance evaluation 	<ul style="list-style-type: none"> - Enhancing ethical and fair procurement system - Pricing of services 	<ul style="list-style-type: none"> - Improvement in procurement process and payment - Transparent procurement processes - Clear communication with suppliers

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

Addressing Concerns and Expectations (Cont'd)

Key Stakeholder	Engagement Channels	Area of Concerns	Our Response
Employees / Management 	<ul style="list-style-type: none"> - Workshop discussions - Induction training - Learning and development programs - Employee performance appraisal - Corporate memos, letters, and emails - Employee meetings - Employee engagement surveys - Computer screensaver - Monthly operation meeting - Weekly coordinating meeting - Ongoing meetings and interactions - Board and Board Committee meetings - Site visits - Job training 	<ul style="list-style-type: none"> - Business growth and strategic direction - Health and safety at workplace - Inclusive work environment - Rewards and recognition for performance - Remuneration and benefits - Career development and upskilling opportunities - Employee satisfaction 	<ul style="list-style-type: none"> - Promote transparent communication - Equal employment opportunities - Promote Diversity, Equity and Inclusion (“DEI”) - Offer industry-competitive remuneration and compensation package - Ensure compliance with Occupational Safety and Health Act (“OSHA”)
Community 	<ul style="list-style-type: none"> - Corporate volunteering programs - Contributions and donations - Public community events 	<ul style="list-style-type: none"> - Corporate social responsibility - Impact on community 	<ul style="list-style-type: none"> - Budget and annual plan for CSR programs - Adoption of welfare programs
Government Agencies / Regulators 	<ul style="list-style-type: none"> - Participation in government and regulatory events/ briefings/ dialogues - Inspections by local authorities and regulators - Audit and verification - Approvals and permits - Occupational safety and health - Environmental management and compliance - Training programs for employees - Meetings with employees - Meetings with management team responsible for compliance 	<ul style="list-style-type: none"> - Regulatory compliance - Approvals and permits - Occupational safety and health - Environmental management and compliance - Tax transparency - Anti-Bribery & Anti-Corruption 	<ul style="list-style-type: none"> - Regular review and monitoring of compliance requirements - Adoption of practices outlined in the Malaysian Code of Corporate Governance (“MCCG”) - Show of support for government initiatives
Media 	<ul style="list-style-type: none"> - Press releases - Press conferences - Media center official website 	<ul style="list-style-type: none"> - Company’s reputation - Business continuity - Transparency of the business 	<ul style="list-style-type: none"> - Transparent and timeliness reporting - Strong rapport