

HONG SENG CONSOLIDATED BERHAD
Registration No. 200101001581 (537337-M)
(Incorporated in Malaysia)

KEY MATTERS DISCUSSED AT THE
21ST ANNUAL GENERAL MEETING HELD ON A FULLY VIRTUAL BASIS ON 25 FEBRUARY 2022

KEY MATTERS DISCUSSED

Q1: How much revenue and profit (or loss before tax) contributed by the subsidiary i.e. Hong Seng Capital?

A1: Based on the latest available audited financial statements of Hong Seng Capital (“HSC”), the revenue and profit before taxation recorded by HSC as at 30 September 2021 were RM1,279,465 and RM461,518, respectively.

Q2: How much capital had been invested in Hong Seng Capital for the financial year 2020 and financial year 2021, respectively since Hong Seng Capital obtained its money lending license?

A2: The total investment cost in HSC was amounting to RM2,000,000. There was no change to the foregoing investment since 23 May 2019.

Q3: What kind of assets had been pledged by the customers to Hong Seng Capital in order to get the financial assistance?

A3: Quoted shares is one of the securities pledged by customers.

Q4: Who was the targeted customers for this money lending business?

A4: There are no specific target customers. As announced to Bursa Malaysia Securities Berhad, as at 31 December 2021, the major customers made up of corporations granted with secured term loans.

Q5: What is the total current value of financial assistance provided by Hong Seng Capital to its customers?

A5: As announced to Bursa Malaysia Securities Berhad, the aggregate amount of outstanding loans as at 31 December 2021 are detailed as follows:-

Category of Loan Debtors	Secured (RM)	Unsecured (RM)	Total (RM)
Corporations	40,400,111	11,220,110	51,620,221
Individuals	3,200,351	5,366,883	8,567,234
Company within Hong Seng Consolidated Berhad and its subsidiaries (the “Group”)	-	-	-
Related Parties	-	-	-
Total	43,600,462	16,586,993	60,187,455

Q6: What are the requirements to obtain the money lending license?

A6: The applicant must comply with the requirements prescribed by the Ministry of Housing and Local Governments and shall have, inter-alia, a minimum of RM2 million paid up capital or cash reserve.

Q7: Any outstanding bad debts from the customers? Possibility of impairment?

A7: As announced to Bursa Malaysia Securities Berhad, as at 31 December 2021, there is no loans in default.