



HAP SENG CONSOLIDATED BERHAD (26877-W)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 39th annual general meeting of Hap Seng Consolidated Berhad will be held at the Kinabalu Room, Ground Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur on Thursday, 4 June 2015 at 10am to transact the following:-

AGENDA

ORDINARY BUSINESS

1. To table the audited financial statements for the financial year ended 31 December 2014 together with the reports of directors and auditors. *Note 1*

To consider and if thought fit, to pass the following ordinary resolutions:-

2. To reappoint Dato' Jorgen Bornhoft pursuant to section 129(6) of the Companies Act, 1965 as director of the Company to hold office until the conclusion of the next annual general meeting of the Company. *Note 2* **Ordinary Resolution 1**
3. To re-elect Lt. Gen. (R) Datuk Abdul Aziz Bin Hasan who shall retire in accordance with article 97 of the Company's articles of association and being eligible, has offered himself for re-election. *Note 3* **Ordinary Resolution 2**
4. To re-elect Dato' Mohammed Bin Haji Che Hussein who shall retire in accordance with article 97 of the Company's articles of association and being eligible, has offered himself for re-election. *Note 3* **Ordinary Resolution 3**
5. To re-elect Ms. Cheah Yee Leng who shall retire in accordance with article 103 of the Company's articles of association and being eligible, has offered herself for re-election. *Note 4* **Ordinary Resolution 4**
6. To re-elect Mr. Ch'ng Kok Phan who shall retire in accordance with article 103 of the Company's articles of association and being eligible, has offered himself for re-election. *Note 4* **Ordinary Resolution 5**
7. To approve the payment of directors' fees of RM645,000.00 for the financial year ended 31 December 2014. **Ordinary Resolution 6**
8. To reappoint Messrs Ernst & Young as auditors of the Company to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the directors of the Company. *Note 6* **Ordinary Resolution 7**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

9. **Authority to allot and issue shares pursuant to section 132D of the Companies Act, 1965**

“That subject always to the approvals of the relevant authorities, the directors of the Company be and are hereby empowered pursuant to section 132D of the Companies Act, 1965 to issue shares in the Company at any time upon such terms and conditions, and for such purposes as the directors of the Company may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued and paid-up share capital of the Company for the time being and that the directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.” *Note 7*

Ordinary Resolution 8

10. **Continuation of independent non-executive chairman**

“Subject to Ordinary Resolution 1 above being passed and pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, that Dato’ Jorgen Bornhoft be and is hereby authorised to continue his office as the independent non-executive chairman of the Company until the conclusion of the next annual general meeting.” ^{Note 8}

**Ordinary
Resolution 9**

11. **Proposed amendment to the articles of association of the Company**

“That the existing article 135 in the articles of association of the Company be deleted entirely and the adoption of the following article as article 135 of the articles of association of the Company be hereby approved:-

**Special
Resolution**

Article No.	Existing Article	Proposed Amendment
Article 135	The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such profit and loss account, balance sheet and reports as are referred to in that Section provided always that the interval between the close of the financial year of the Company and the issue of the annual audited accounts, the directors’ and auditors’ reports shall not exceed four (4) months.	The Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such profit and loss account, balance sheet and reports as are referred to in that Section.” <p style="text-align: right;">Note 9</p>

By order of the Board

Lim Guan Nee (MAICSA 7009321)
Quan Sheet Mei (MIA 6742)
Company Secretaries

Kuala Lumpur
13 May 2015

Explanatory notes to the Agenda:-

- 1. Pursuant to section 169(1) of the Companies Act, 1965 (Act), the directors shall lay before the Company at its annual general meeting its annual financial statements made up to a date not more than 6 months before the date of the meeting. There will be no resolution to be passed on this item 1.*
- 2. Pursuant to section 129(2) of the Act, the office of a director of a public company or of a subsidiary of a public company shall become vacant at the conclusion of the annual general meeting commencing next after he attains the age of seventy years. However, section 129(6) of the Act states that a person of or over the age of seventy years may by a resolution of which no shorter notice than that required to be given to the members of the company of an annual general meeting has been duly given, passed by a majority of not less than three-fourths of such members of the company as being entitled so to do vote in person or, where proxies are allowed, by proxy, at a general meeting of that company, be appointed or reappointed as a director of that company to hold office until the next annual general meeting of the company.*
- 3. Pursuant to article 97 of the Company’s articles of association and paragraph 7.26(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), at least one-third of the directors of the Company for the time being shall retire from office at every annual general meeting, but shall be eligible for re-election.*
- 4. Pursuant to article 103 of the Company’s articles of association and paragraph 7.22 of the Listing Requirements, any director so appointed shall hold office only until the next annual general meeting of the company, and shall then be eligible for re-election.*
- 5. Based on the satisfactory outcome of its review, the Nominating Committee had made recommendations to the Board for these directors to be re-elected or reappointed, as the case may be.*
- 6. Pursuant to section 172(2) of the Act, the Company shall at every annual general meeting appoint its auditors who shall hold office until the conclusion of the next annual general meeting.*

7. *This section 132D authority, if approved, will empower the directors of the Company to issue ordinary shares in the Company up to 10% of the issued and paid-up share capital of the Company for the time being, subject to compliance with all other regulatory requirements and this will enable the Company to finance investments projects, working capital and/or acquisitions by issuing new shares as and when the need arises without delay or incurring costs in convening a separate general meeting. This authority, unless revoked or varied at an earlier general meeting, will expire at the conclusion of the next annual general meeting of the Company.*

As at the date of this notice of annual general meeting, the Company has not issued any new shares pursuant to the existing section 132D authority obtained during the last annual general meeting held on 28 May 2014, which authority shall lapse at the conclusion of this annual general meeting.

8. *Despite having served as an independent director for more than nine years, the Board, upon the assessment and recommendation of the Nominating Committee, is of the opinion that Dato' Jorgen Bornhoft is capable of acting objectively in the best interests of the Company, and has demonstrably proven to be in compliance with all the requirements to be independent in accordance with the Listing Requirements.*
9. *The proposed amendment to the articles of association of the Company is to comply with the amendments made to Chapter 9 of the Listing Requirements in relation to the issue of annual report.*

Notes to the notice of annual general meeting:-

1. *A depositor shall not be regarded as a member entitled to attend this general meeting, to speak and vote thereat unless his/her name appears in the register of members and/or record of depositors as at 28 May 2015 (which is not less than 3 market days before the date of this meeting) issued by Bursa Malaysia Depository Sdn Bhd (Bursa Depository) upon the Company's request in accordance with the rules of the Bursa Depository.*
2. *Subject to note 3 below, a member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than 2) to attend and vote in his/her stead. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy. The proxy or proxies need not be a member of the Company and there shall be no restriction as to the qualification of the proxy or proxies.*
3. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit on the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney, duly authorised in writing, or if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised, and such duly executed instrument appointing a proxy must be deposited at the registered office of the Company, 21st Floor, Menara Hap Seng, Jalan P. Ramlee, 50250 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*