

HUP SENG INDUSTRIES BERHAD
[Registration No. 199101015786 (226098-P)]
(Incorporated in Malaysia)

MINUTES of the Thirty-Third Annual General Meeting (“AGM” or “Meeting”) of Hup Seng Industries Berhad (“HSIB” or “the Company”) held at the Mezzanine Floor, The Katerina Hotel, 8 Jalan Zabadah, 83000 Batu Pahat, Johor Darul Ta’zim on Wednesday, 21 May 2025 at 9.00 a.m.

PRESENT: Mr. Kerk Kar Han (Chairman)
 Mr. Kerk Chiew Siong
 Ms. Kerk Chian Tung
 Mr. Teo Lee Teck
 Mr. Kuo Liong Yok
 Ms. Kerk Shiang Yih
 Mr. Lim Poh Seong
 Dr. Voon Yuen Hoong
 Mr. Lee Ting Kiat
 together with a quorum of shareholders on record

IN ATTENDANCE: Lee Wai Ngan (Secretary)

1.0 COMMENCEMENT

1.1 Mr. Kerk Kar Han (“Chairman”) took the Chair and called the meeting to order at 9.00 a.m. and welcomed everyone to the meeting. The requisite quorum being present, the Chairman declared the meeting duly convened.

2.0 PROXIES

2.1 The Secretary informed the Meeting that a total of 33 proxy forms had been received within the prescribed period representing 436,739,907 shares (54.592%) in the Company.

3.0 NOTICE

3.1 The notice convening the AGM, having been circulated within the prescribed period was taken as read.

4.0 MEETING PROCEDURES

4.1 The Chairman advised the members and proxy-holders that pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the proposed resolutions put to vote at the Meeting shall be by way of poll, whereby every member who is present in person or by proxy shall have one vote for every share held.

4.2 For the purposes of the poll, DVote Services Sdn Bhd had been appointed as the poll administrator and Coopers Professional Scrutineers Sdn Bhd had been appointed as the Scrutineers to verify the results of voting.

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4.3 The members present were briefed on the polling procedures.

5.0 AUDITED FINANCIAL STATEMENTS

5.1 The audited financial statements of the Company for the financial year ended 31 December 2024 together with the reports of the Directors and Auditors thereon had been circulated to all members within the prescribed period and were tabled at the AGM for discussion and consideration.

5.2 The Chairman invited question from members present. The questions raised were responded to by the Management and summarized in the Appendix A attached to these minutes.

5.3 Pursuant to Section 340(1)(a) of the Companies Act 2016, the Directors are required to lay before the shareholders the audited financial statements. The audited financial statements do not require a formal approval and hence, are not put forward for voting.

6.0 DIRECTORS' FEES (RESOLUTION 1)

6.1 The Chairman informed the Meeting that the second item on the Agenda was to approve the payment of Directors' fees amounting to RM1,684,919 for the financial year ended 31 December 2024.

6.2 The results of the voting were presented as follows:

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 1	502,996,831	100.00	0	0

6.3 The Chairman declared that Resolution 1 was carried and that the Directors' fees of up to RM1,684,919 for the financial year ended 31 December 2024 were approved for payment.

7.0 DIRECTORS' BENEFITS (RESOLUTION 2)

7.1 The Chairman informed the Meeting that the third item on the Agenda was to approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 up to an amount of RM100,000 from 22 May 2025 until the next AGM of the Company in 2026.

7.2 The results of the voting were presented as follows:

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 2	506,616,831	99.9921	40,000	0.0079

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- 7.3 The Chairman declared that Resolution 2 was carried by majority vote and that the Directors' benefits of up to RM100,000 for the period from 22 May 2025 until the next AGM of the Company in 2026 were approved for payment.

8.0 RE-ELECTION OF DIRECTORS – ARTICLE 103

- 8.1 In accordance with Article 103 of the Company's Constitution,

Ms. Kerk Chian Tung (Resolution 3);
Mr. Teo Lee Teck (Resolution 4); and
Dr. Voon Yuen Hoong (Resolution 5)

shall retire by rotation from the Board at this Meeting and being eligible, have offered themselves for re-election to the Board.

8.2 Resolution 3

The results of the voting were presented as follows:

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 3	494,964,031	99.9187	402,800	0.0813

The Chairman declared that Resolution 3 was carried by majority vote and that Ms. Kerk Chian Tung was re-elected as a Director of the Company.

8.3 Resolution 4

The results of the voting were presented as follows:

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 4	487,442,932	98.5335	7,254,799	1.4665

The Chairman declared that Resolution 4 was carried by majority vote and that Mr. Teo Lee Teck was re-elected as a Director of the Company.

8.4 Resolution 5

The results of the voting were presented as follows:

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 5	491,928,898	99.9930	34,600	0.0070

The Chairman declared that Resolution 5 was carried by majority vote and that Dr. Voon Yuen Hoong was re-elected as a Director of the Company.

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9.0 RE-APPOINTMENT OF AUDITORS (RESOLUTION 6)

9.1 The Chairman informed the Meeting that the next item on the Agenda was to re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. The Chairman added that Ernst & Young PLT had indicated their willingness to continue as Auditors of the Company.

9.2 The results of the voting were presented as follows:

Resolution	Votes in Favour		Votes Against	
	No. of Shares	%	No. of Shares	%
Resolution 7	503,256,831	99.9921	40,000	0.0079

9.3 The Chairman declared that Resolution 6 was carried by majority vote and that Ernst & Young PLT were re-appointed Auditors of the Company until the conclusion of the next AGM and that the Directors were authorised to fix their remuneration.

10.0 OTHER BUSINESS

10.1 The Company Secretary had confirmed that there was no other business to be transacted of which due notice has been given.

11.0 CLOSE OF MEETING

11.1 There being no further business to discuss, the meeting closed at 10.15 a.m. with a vote of thanks to the Chairman.

Signed as a correct record

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CHAIRMAN

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APPENDIX A

HUP SENG INDUSTRIES BERHAD
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**QUESTIONS RAISED BY MEMBERS AT THE THIRTY-THIRD ANNUAL
GENERAL MEETING OF THE COMPANY HELD ON 21 MAY 2025**

- (i) Question:
In this digital era, HSIB should consider online registration of proxies,
- HSIB response:
The Company will consider the suggestion.
- (ii) Question:
Looking at the past year's performance, the Group recorded a revenue of about RM395.3 million out of which about 2% was contributed by the beverage division through In-Comix Food Industries Sdn Bhd ("ICF"). This is very minimal and ICF should find a solution to boost its sales.
- HSIB response:
The ICF business is still ongoing and profitable. HSIB's main priority is its biscuit products which contribute the majority of revenue to the Group. Purchasers of the Group's biscuit products sometimes ask for beverage products to complement it and for that reason, ICF is kept in operation.
- Recently, there are a lot of beverage products in trend and a lot of costly R&D will have to be put into ICF to refresh the business. The management will take note of the member's recommendation and suggestion.
- (iii) Question:
The member suggested that new and trendy packaging may attract new customers. The member also thanked the Company for the good dividend to members.
- HSIB response:
The suggestion is noted.
- (iv) Question:
Profit margin of ICF is less than 1%. The member asked why the management do not consider selling the unit.
- HSIB response:
The Directors had considered inviting purchasers to acquire ICF because the

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management would like to concentrate more on biscuit production. There had been some enquiries but did not proceed further. The management will continue to run the ICF business and consider all angles for the future of ICF.

(v) Question:

The dividend declared by HSIB is very strong and impressive. However, the Company's growth is slow. The member asked about the strategy going forward to grow the business and the top markets for export.

HSIB response:

The plans for the next 10 years is to continue improvising and improving the production process. The Group had recently replaced the last diesel fueled production line to be more energy efficient and to meet domestic consumer demand.

As for the export market, the challenge is to find the right partners in the overseas market. Each export market is a very controlled environment in terms of recipe, sugar content, etc. and production needs to be scheduled to meet the export timeline which may in turn disrupt supply for domestic needs.

(vi) Question:

Is the Group's capacity for growth for the domestic market already limited?

HSIB response:

For the domestic market, the main channels of distribution are retailers, wholesalers and hypermarkets. The factory lines are running 2 to 3 shifts to meet domestic demand. The production must be carefully planned to ensure that there is sufficient supply to meet demand and that the products are taken up swiftly. There must not be over or under supply.

(vii) Question:

"The commercial run of the new oven effective from third quarter contributed to an additional production capacity, resulted in the improved sales volume." (AR 2024 page 17). How many tonnes of cream cracker is this new oven able to produce per year?

HSIB response:

Approximately 10,000 metric tonnes per year.

(viii) Question:

How much is the total annual production capacity (MT/year) of cream cracker as of today?

HSIB response:

About 71%.

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- (ix) Question:
“On average, the Group’s biscuits production lines are running at a utilisation rate of about 81%. During peak seasons, some of the production lines are fully utilised to 100%.” (AR2024 page 18). When are the peak seasons and how long do these peak seasons last?

HSIB response:

The peak season normally starts in the latter half of the year and usually lasts about 3 to 4 months.

- (x) Question:
Does it mean that Hup Seng is able to build the finished goods stock in normal seasons to avoid running out of capacity in peak seasons?

HSIB response:

HSIB is able to cater for the peak season capacity.

- (xi) Question:
How much was the utilisation rate in the first half of CY2024 before the new baking oven came into full operation?

HSIB response:

The utilisation rate was about 80%

- (xii) Question:
"As part of our continued obligation to focus on environment protection, we are pleased to announce that our new baking oven, fired by natural gas, started operation effective July 2024." (AR 2024 page 18). Are all ovens in Hup Seng's biscuit production line fired by natural gas as of now?

HSIB response:

Yes

- (xiii) Question:
Is there any diesel-fired oven yet to be replaced?

HSIB response:

There is none.

- (xiv) Question:
Is the natural gas used for baking process supplied through pipeline or LPG tank?

HSIB response:

Through pipeline.

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- (xv) Question:
Is there any back up plan in the unlikely event of gas supplied being temporary cut off due to an accident like what happened in Putra Heights recently?

HSIB response:

The Risk Management working team and Board Committee will review the risk and plan for contingencies.

- (xvi) Question:
"This investment (new oven) positions us to better serve our customers and meet growing demand." (AR 2024 page 18). Is the demand continuing to grow in CY2025?

HSIB response:

Yes.

- (xvii) Question:
"The revenue distribution among the three channels of the Group has been quite even." (AR 2024 page 18). What are the three channels?

HSIB response:

Retailers, Wholesalers, Hyper and Supermarkets.

- (xviii) Question:
"On October 2024 we launched the solar energy system." (AR 2024 page 18). How much this costs and how much is the IRR of this project?

HSIB response:

The cost is about RM2 million and the projected IRR is at 38.1%.

- (xix) Question:
Has Hup Seng launched any new product in CY2025? How is the market response? Please introduce your new products.

HSIB response:

Yes, The V'Like Crackers (Original) and (Sesame & Chia Seeds) were launched and the market response is encouraging.

- (xx) Question:
After Covid-19, the sales of HSIB had recovered a lot. Is there a big demand from foreign workers for the HSIB products?

HSIB response:

HSIB does not have the statistics on the demographics of the consumers.

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(xxi) Question:
HSIB is on an expansion mode. Does the Group have enough land for future growth?

HSIB response:
Yes.

(xxii) Question:
There are 6 production lines. Are the capacity of all the lines even?

HSIB response:
There are dedicated lines distributed amongst the products. The dedicated cream cracker lines are all running at almost full capacity which is not the case for the dedicated lines for the other products.