

SUSTAINABILITY AT HAP SENG GROUP

CREATING VALUE FOR ALL

The continued financial success of Hap Seng Group's business is closely connected to the economic, environmental and social aspects of our operations. For us to manage the material issues means that we maintain strong emphasis on responsible practices and continue to upgrade efforts towards customers, employees as well as communities.

Through our investment in capacity building as well as growing the economy, we hope to continue playing a part in the nation's development. The culture of creating value is ingrained within the Group and provides a good platform for the Group with diverse business interests, to further grow our strengths in synergy with each other. Our business divisions thrive on their distinct goals and growth plans, while remaining aligned to the Group's core values.

In 2017, we continued to show progress across key sustainability commitment areas and were guided by a more robust approach to governance.



ABOUT THIS STATEMENT

This is the Group's second sustainability statement pursuant to Amendments to the Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports.

This statement discloses the Group's efforts in addressing the economic, environmental and social issues of our operations in Malaysia for the year under review, unless otherwise stated. This year, we continued with the Group's commitment to sustainability while continuously improving our policies with particular emphasis on data management. We improved disclosure on electricity, water and health and safety in 2017. We strive to improve year-on-year qualitative and quantitative data tracking and are committed to monitoring and measuring our progress in implementing sustainability throughout the Group.

The scope of this statement covers activities conducted by all our divisions, excluding the plantations division. Hap Seng Plantations Holdings Berhad has a standalone sustainability report with disclosure of its activities. As part of our Group disclosure, this statement will include key highlights of the plantations division's sustainability report.

This statement is confined to operations within Malaysia as the scope of our operations within the country consists of 80% in terms of revenue. Our subsidiary listed on the Singapore Exchange, Hafary Ltd. will publish its sustainability-related information via its own Annual Report.

SUSTAINABILITY GOVERNANCE

While connected to the core values of the Group, each of our business divisions has its own path and plan to success. We place continued focus on the quality and concept of products. Our business divisions are committed to providing excellent customer experience. As such, we continuously upgrade our service quality. Each division's sustainability issues are managed by the respective Chief Executive who reports directly to the Group Managing Director. Group Risk and Group Corporate Social Responsibility (CSR) consolidate and communicate sustainability issues at the Group level.

In adherence to our code of conduct, we have put in place various processes and systems to manage sustainability across the Group with a varying focus at the business unit level based on industry impacts. For instance, Malaysian Mosaics Sdn Bhd (MMSB) has a standalone Sustainability Policy which emphasises its overarching sustainability commitment and affirms that sustainability elements must be incorporated into production. Hap Seng Building Materials Sdn Bhd has a focused Environmental Policy which provides guidelines for environmental management during operations.

Code of Conduct

Our Code of Conduct guides the Group on standards of conduct and ethical practices. The Code aims to prevent situations that might arise from any conflict of interest while setting clear boundaries for expected behaviours.

The Code of Conduct is clearly spelt out in the Board Charter, which can be accessed through the company's website (www.hapseng.com) and is shared during the induction programme for new employees. The expected behaviours and practices are also embedded in documents such as the Employees' Handbook, Letter of Employment, Employee Personal Data Privacy Policy, and Computer Access and Usage Policy, to emphasise to all employees the importance of abiding by the standards defined.

The Code of Conduct covers the following areas:

- Honesty and integrity
- Compliance with laws
- Conflict of interests
- Confidentiality
- Whistle-blowing



Driving Sustainability

Hap Seng Plantations

Sustainability is an integral part of the Board agenda. The Board reviews and signs off on policies and disclosures, including our new Malaysian Sustainable Palm Oil (MSPO) Policy; Rare, Threatened, and Endangered (RTE) Species Policy and our Sustainability Reports.

2017 Sustainability Highlights at Hap Seng Plantations

SUSTAINABILITY HIGHLIGHTS 2017

- Launch of MSPO Policy and RTE Species Policy
- 61% reduction in lost time accidents since 2014
- 100% of mills RSPO certified
- 100% of mills ISCC EU certified
- 91% of our planted area is certified according to RSPO Principles & Criteria
- Two biogas facilities were successfully commissioned
- 100% of mills HACCP certified
- Estates and mills MSPO certified ahead of the mandatory timeline
- Hap Seng Plantations' ZSL SPOTT ranking listed in the green zone
- 1,656 children and 323 teachers trained in computer coding from 2015 to 2017
- RM2 million invested in children's education in 2017

MATERIALITY

In 2016, the first year Group-wide sustainability impact was formally disclosed, a two-day materiality discussion was convened with key management and data owners. The purpose was to provide clarity to sustainability issues and what this means to the Group, as well as identify key issues and aspects. The results were tabled and approved during an engagement session with Executive Directors. The approved list was disclosed in the sustainability statement 2016.

In 2017, we reviewed all material aspects by analysing global trends, taking into account changes to the risk register and industry-specific issues. The process has been further supported by an assessment of key internal documents and publicly available documents, including press releases.

The process of identifying new material issues further involved discussions by Group CSR with various divisions on issues and opportunities in terms of sustainability. Group CSR was guided by a gap assessment of the inaugural 2016 sustainability statement.

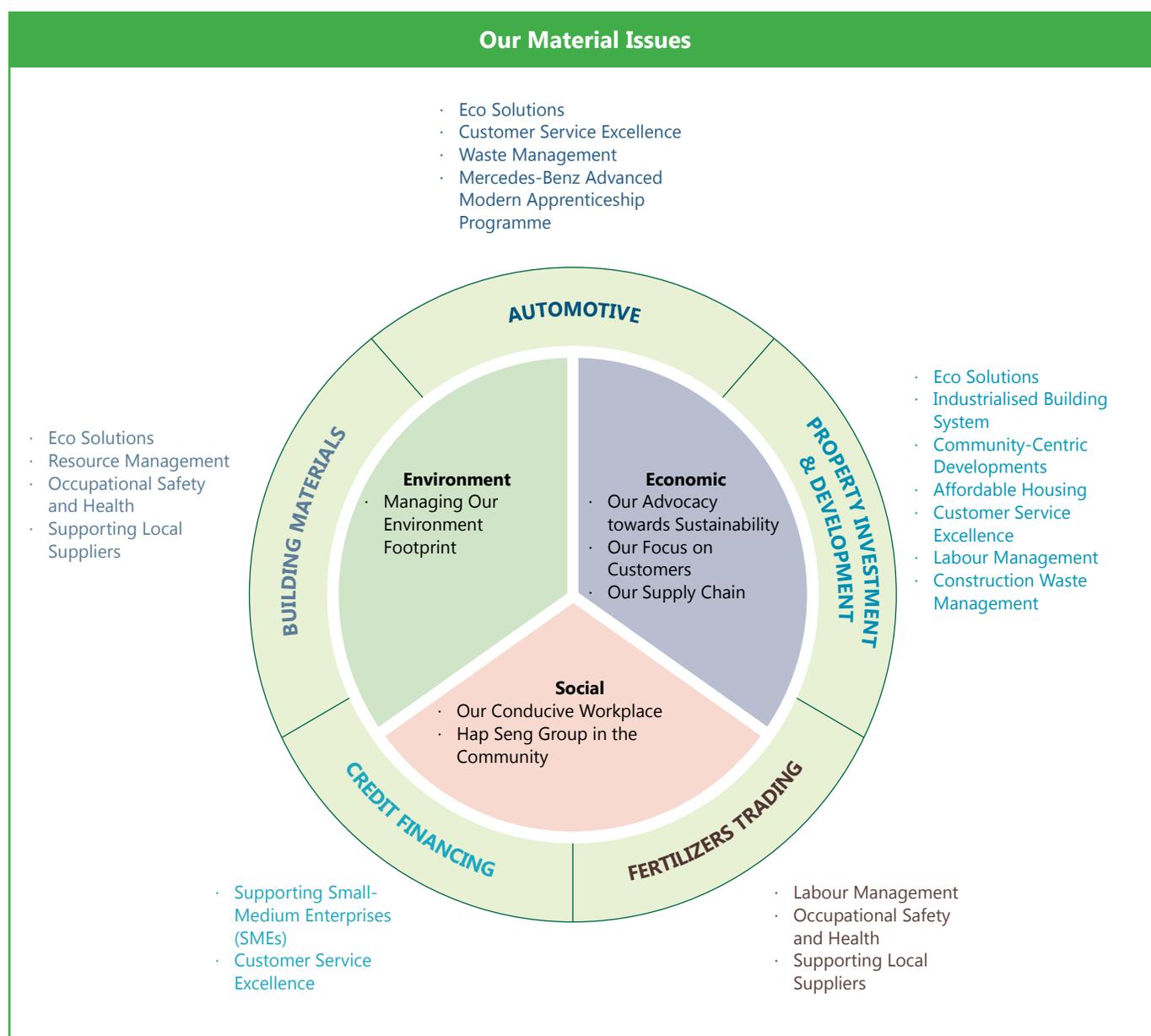
As a result, in 2017, we reviewed the scope of customer service excellence. Two new material issues were also included; namely, construction waste management with particular focus on our property division, and supporting local suppliers for the fertilizers trading and building materials divisions. These issues are pertinent to our businesses and stakeholders from a sustainability perspective. Thus, we have invested our best efforts and strategies to address them.

Moving forward, we will be incorporating external stakeholder views and map stakeholder priorities accordingly.

STAKEHOLDER ENGAGEMENT

| Membership | Member | Engagement | Remarks |
|--|--------------------------------------|---|--|
| Federation of Public Listed Companies (FPLC) | Hap Seng Consolidated Berhad | Networking and engagement with PLCs, regulatory and related bodies | FPLC, a non-governmental organisation established in 1987, is open to all public listed companies (PLCs) in the Stock Exchange of Malaysia. It provides Hap Seng Group with a platform to interact and dialogue with the public as well as regulatory and other bodies such as the Minority Shareholder Watchdog Group. |
| Malaysian-German Chamber of Commerce (MGCC) | Hap Seng Consolidated Berhad | Networking with MNCs, senior government officials | MGCC organises dialogues with representatives from the German government as well as companies based in the country for networking purposes and to explore opportunities in the Malaysian-German business community. |
| British Malaysian Chamber of Commerce (BMCC) | Hap Seng Consolidated Berhad | Networking with MNCs, senior government officials | BMCC takes on the role of catalyst to provide Malaysian-based businesses with networking, exposure, knowledge exchange and bilateral trading support services across industries. |
| Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil (MSPO) | Hap Seng Plantations Holdings Berhad | Certification and Annual Surveillance Certification | Engagement with all stakeholders throughout the supply chain on certified sustainable palm oil matters. |
| Federation of Malaysian Manufacturers (FMM) | Malaysian Mosaics Sdn Bhd | <ol style="list-style-type: none"> Council Member Chairman FMM – Malaysian Ceramic Industrial Group (FMM MCIG) Committee member – CIP (Construction Industry Transformation Programme) initiative Group on Materials Standards Chairman – FMM Energy management committee | <ol style="list-style-type: none"> With 3,000 members nationwide, FMM is officially recognised as the voice of the industry. FMM MCIG is a national industry club representing the interests of manufacturers of ceramic floor and wall tiles, clay roofing tiles, clay pipes, sanitary ware and tableware. Representing FMM, this steering committee is working towards the implementation of mandatory materials standards. Representing the interests of members in all energy-related dialogues with the government and its agencies for the inclusive formulation of energy-related policies and regulations. |

| Membership | Member | Engagement | Remarks |
|---|---------------|---|--|
| Automotive with Malaysia Retail Chain Association (MRCA) | Hap Seng Star | Networking and engagement with government | With a 500-strong membership, MRCA provides a platform for Hap Seng Star to participate in regular dialogues with members and the government for better co-operation, networking and ideation in a concerted effort to promote healthy growth of the retail industry in Malaysia and abroad. |



Economic

Responsible business practices in the marketplace.

Our Advocacy towards Sustainability

| Material Economic Aspect | Key Impact Areas | Focus in 2017 |
|--|--------------------------------------|---|
| Our Advocacy Towards Sustainability | Eco Solutions | <ul style="list-style-type: none"> • Property Investment and Development • Automotive • Building Materials |
| | Industrialised Building System (IBS) | • Property Investment and Development |
| | Community-Centric Development | |
| | Affordable Housing | |
| | Supporting SMEs | • Credit Financing |

Eco Solutions



Property Investment and Development



Automotive



Building Materials

Our efforts are moving towards solutions that reduce waste, increase energy efficiency and lower resource usage, aligning both our economic and environmental footprint. This in turn enhances our competitiveness.

Green Buildings

We are committed to conforming to sustainability certifications such as Malaysia's Green Building Index (GBI) or Leadership in Energy and Environmental Design (LEED) for all our new developments in Kuala Lumpur.

In 2017, we were awarded the LEED Gold Certification for Wisma Mercedes-Benz. The six-storey industrial facility was accredited as the first green industrial building in Subang Jaya and an example of a holistic live and work space. It addresses site constraints as well as incorporates various green features including water conservation and the maximisation of natural lighting, with a courtyard built within the office area to raise the indoor environment quality and improve staff productivity.

Moving forward, the Group will be applying for GBI or LEED certification for the following projects:

- Nadi Bangsar Service Residence
- The Aria Luxury Residences
- Mixed Development at KL Metropolis Plot 5A
- Menara Hap Seng 3
- Jalan Kia Peng Service Residence

In line with this, all properties under construction have rainwater harvesting systems and energy-saving lighting. We will be reviewing the possibility of introducing these features to low-cost housing in the future.

Efficient Mobility

We adopt sustainability practices in our operations such as providing charging stations for hybrid and electric vehicles; having a water management system; as well as installing eco-friendly equipment at our centres.

A rainwater harvesting system is also utilised for the car wash in Balakong and Kinrara Autohaus. In addition, we have installed LED lights to reduce electricity consumption.

We also offer electric and hybrid solutions as we help our country shape efficient mobility through Hap Seng Star. To encourage usage of such vehicles, we provide charging stations at all our dealerships for customers' convenience.

In terms of our own operations, the following eco-friendly materials and equipment are being utilised:

- Eco-friendly water-based paint instead of chemical solvents
- Machines and equipment that recycle solvent waste
- Air-conditioner recycling equipment to prevent harmful gases from being released into the atmosphere. Concurrently, this will reduce cost and lessen the generation of waste.

- We installed a rainfall harvesting system that results in less municipal water used.
- A solar power project has commenced at our Kinrara dealership and should be fully operational in 2018.
- Used oil is disposed of at an oil change facility.
- Scrap metal is recycled to reduce the consumption of natural resources.
- We use the Drester Gun Cleaner (spray gun cleaner), a fully automated machine, which recycles and eliminates the manual handling of solvent waste. It reduces the reliance on raw materials, while minimising pollution and energy used. In addition, it cuts down the volume of waste to be treated and disposed of.

We also have ISO 9001 and ISO 14001 certifications for Hap Seng Star Sdn Bhd.

Green Products

Our green products have been produced with the environment in mind and reinforced with better technology for durability. For example, the ceramic tiles produced from recycled powder, dust powder, green tiles and filter cakes bear similar properties to regular MML ceramic tiles. Our factories harvest rainwater and recycle the water as part of their production practices and as part of our zero wastewater approach. We maximise the energy efficiency through process optimisation by recycling waste heat from kilns to dryers.

MMSB's recycled ceramic materials have contributed to the production of 5.5 million m² green products by the Group in 2016 and 6.1 million m² for 2017.

| Year | 2016 | 2017 |
|---|-------------|--------------------|
| Number of green products produced (m ²) | 5.5 million | 6.1 million |

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These innovations have not gone unrecognised by the industry as MML tiles continue to garner various awards. The World Branding Award – Brand of the Year 2017-2018, Home & Garden for the tiles category was one such global honour, with a particular mention of the focus on design, quality, technology and sustainability. Some of the other awards received in 2017 were:

- Asia Responsible Entrepreneurship Awards 2017 – Green Leadership Category Award
- MSOSH Occupational Safety & Health Award 2016 – OSH Gold Class I Award (MMSB 2*)
- MSOSH Occupational Safety & Health Award 2016 – OSH Gold Class I Award (MMSB 3*)
- MSOSH Occupational Safety & Health Award 2016 – OSH Gold Class II Award (MMSB 1*)

* Names of our factories

Our recycling processes are not limited to tiles but extend to the manufacture of other products made by the Group, such as bricks by Hap Seng Clay Products Sdn Bhd. For example, ceramic materials recovered from the polishing water treatment plant and other powder waste that cannot be used in ceramic tile production are recycled and used to produce bricks. Our Sedenak Brick Factory in Johor executes this process. The bricks which use waste materials amounted to 16.1 million and 59.8 million pieces in 2016 and 2017 respectively. These green bricks are used mostly for residential buildings.

Industrialised Building System (IBS)



**Property Investment
and Development**

The Construction Industry Development Board (CIDB) projects a 5% reduction in construction cost by the year 2020, if the use of IBS is made mandatory by then mainly due to the decrease in foreign labour workforce and the shortened duration of project completion.



Community-Centric Development



Property Investment and Development

We build our townships with the needs of communities in mind. Well-planned townships, which provide easy access to transport, amenities and a relaxed and clean environment, entice greater ownership of homes.

An example of such integration can be seen in the Bandar Sri Indah development. One of the facilities we have implemented to meet the requirements of the community is the Southern Central Lake Garden which was completed in 2017. Covering approximately 15.5 acres, the recreation park has amenities such as a jogging track and a gazebo. Taking into account completed, ongoing and future developments in Bandar Sri Indah, we project that approximately 4,000 households would benefit from these facilities. Our aim is to enable residents here to enjoy an enhanced quality of life.

Hap Seng's Emergency Response Team (ERT)

As Bandar Sri Indah is quite a distance from the nearest fire station, the Group has taken the initiative to set up an ERT to provide quick action and assistance to residents in the event of an emergency. The team, trained and certified by the Fire and Rescue Department of Malaysia as a first responder, should be able to facilitate quick and correct assistance to residents through a one-stop centre which would communicate and coordinate with all public emergency services in the township development.

Affordable Housing



Property Investment and Development

We support the move towards affordable housing for low- and middle-income households. Currently our affordable housing projects are focused in Sabah and include the MyHome Scheme and 1Malaysia Civil Servant Housing Scheme (PPA1M) in Bandar Sri Indah and PPA1M in Ria Heights. In 2017, we also launched 512 units of affordable apartments in Bandar Sri Indah. In Peninsular Malaysia, we launched Rumah Selangorku in Puchong.

As a testament of the Group's steadfast commitment to providing affordable housing to the local population, we plan to launch a further 512 units of affordable apartments and 772 units of affordable terrace houses within the Bandar Sri Indah mixed development in Tawau. Liveability and safety are two aspects that we have integrated into the project plans as part of our belief in holistic development.

Supporting SMEs



Credit Financing

SMEs are drivers of economic growth and job creation. Through the Hap Seng credit financing division, we provide approximately 75% of our financial services to small and medium-sized businesses. In 2017, we also recorded about 17.5% repeat customers.

As part of our wider support to the community, we have partnered with an online crowdfunding platform, SimplyGiving.com, to provide social enterprises with a working capital. Currently, four social entrepreneurs are supported under this social lending programme: Women Of Will, AnB Agro Trainers, The Batik Boutique and Foodabox.

Our Focus on Customers

| Material Economic Aspect | Key Impact Areas | Focus in 2017 |
|-------------------------------|-----------------------------|---|
| Our Focus on Customers | Customer Service Excellence | <ul style="list-style-type: none"> • Property Investment and Development • Credit Financing • Automotive |

The Group is cognisant of the fact that in the service industry, customer relationships are key drivers to generating loyalty because good service is difficult to replicate. Multiple studies have shown that such relationships developed by organisations through their customer service have measurable impact on the company's economic performance along with increased returns for shareholders.

Customer Service Excellence



Property Investment and Development



Credit Financing



Automotive

Throughout the entire Group, we greatly emphasise the need for excellent customer service. We take extra effort to ensure we receive feedback from customers, and at times go out of our way to meet them at their convenience. At the property and credit financing divisions, the Personal Data Protection Act (PDPA) forms are distributed to our customers to assure them that their privacy is protected.

Property Investment and Development

At the property division, we emphasise excellent customer service in all our operations, from the execution of sales, property handover to expiry of defects liability period. In a customer satisfaction survey conducted in Nadi Bangsar, where 218 out of a total of 416 invited unit owners participated, it was found that 89% of respondents would recommend Hap Seng Land products to their friends and/or family. Nadi Bangsar was also awarded the High Qlassic Achievement Award 2017 with a Quality Assessment System in Construction (QLASSIC) score of 80%.

The results of the surveys confirm that we have a good reputation in the property market. Our customers and tenants commend us on our excellent service. We will continue to build on our good reputation by constantly improving our customer and tenant satisfaction. At the same time, we also send our sales and customer service staff for training to enhance their interpersonal skills during and after-sales.

| | Response Rate | Tenant Satisfaction Rate |
|-------------------|---------------|--------------------------|
| Menara Hap Seng | 72% | 79% |
| Menara Hap Seng 2 | 95% | 82% |
| Plaza Shell | 100% | 77% |

Credit Financing

We provide training to employees on data privacy and security practices. Every business unit is expected to strictly adhere to all regulatory requirements concerning information and data security.

Automotive

Customer service at our automotive division is guided by the annual Customer Satisfaction Index (CSI) in assessing performance and measuring progress. The aim of the CSI is to ensure customer loyalty and satisfaction, while maintaining a high retention rate. We are committed to fulfilling the evolving needs of our customers. Additionally, we have invested heavily in our dealership networks to continue serving our growing customer base. Our after-sales team will continue to focus on customer retention programmes. This includes providing extended warranties and the Star Care Maintenance Package. We will continue to improve productivity and efficiency while optimising labour utilisation.

| Indicator | 2016 | 2017 |
|----------------------------|------|------|
| Average CSI result (%) | 95% | 96% |
| After-sales CSI (%) | 88% | 91% |
| Customer Loyalty Index (%) | N/A* | 83% |

Data covers all branches

* Tracking commenced in 2017

The numbers in the table reflect our automotive division's continuous advancements in meeting our customers' expectations.

Part of our programme to maintain high customer satisfaction includes ensuring our service staff come from a pool of highly-qualified technicians and after-sales support staff. This is evident in our continued partnership with the Mercedes-Benz Malaysia Training Academy in 2017, ensuring there is a constant supply of well-trained personnel. Our automotive division managed to hit 83% in the Customer Loyalty Index survey.

The results were part of an annual customer appreciation event via a movie screening where customers were given an overview of the automotive division and a briefing on the various features, including the safety features, of the vehicles.

Our Supply Chain

| Material Economic Aspect | Key Impact Areas | Focus in 2017 |
|--------------------------|----------------------------|---|
| Our Supply Chain | Supporting Local Suppliers | <ul style="list-style-type: none"> Fertilizers Trading Building Materials |

We remain diligent in promoting sustainability through our supply chain by increasing efforts in Group-wide labour management and tracking waste in the property division.

Supporting Local Suppliers



Fertilizers Trading



Building Materials

As a diversified Group, we know that our business will benefit many local suppliers. We continuously prioritise working with local suppliers in our procurement decisions. We know that enhancing our supply chain will not only benefit suppliers directly but also have a ripple effect on the local and national economy while ensuring effective cost management and a timely delivery of products and services to our business units. For instance, 100% of the building materials division – trading segment procurement spent was on local suppliers.

| Division | Percentage of Local Suppliers (%) |
|--|-----------------------------------|
| Fertilizers Trading | 73% |
| Building Materials • Trading Segment | 100% |

The procurement of our construction materials is done through Hap Seng Trading which, as a business unit under the Group, adheres to the Group's policies. We have ongoing discussions with contractors in the areas of waste management at the property division as well as with internal stakeholders with regard to foreign labour rights. Moving forward, we will be introducing more detailed guidelines for our suppliers.

Management of Foreign Workers

Some of our divisions rely on foreign workers, who are either hired directly or via agents. All contractors acting as vendors for Hap Seng Group are strictly required to comply with the rules and regulations set by the Immigration Department in relation to the management of foreign workers. We integrate human rights policies into our labour management practices in compliance with the Employment Act 1955 as well as the Industrial Relations Act 1967. This includes freedom of association and collective bargaining, the prohibition of child labour, as well as forced or compulsory labour.



Environment

We continue to pursue ways to manage and minimise our impact on the environment by enhancing our policies and procedures year-on-year.

Managing Our Environmental Footprint

| Material Environmental Aspect | Key Impact Areas | Focus in 2017 |
|---|-----------------------------------|---------------------------------------|
| Managing Our Environmental Footprint – Resource Management | Energy Consumption and Management | • Group |
| | Water Consumption and Management | • Group |
| | Waste Management | • Automotive • Building Materials |
| | Construction Waste Management | • Property Investment and Development |
| | Greenhouse Gas Emissions (GHG) | • Building Materials |
| | Dust Emissions | |
| | Noise Emissions | |

As a Group with diversified business interests, managing our impact on the environment is essential. Since our first sustainability statement, we have started collecting data to better monitor our impact on the environment as well as put in place necessary systems and procedures with the aim of reducing our carbon footprint.

Hap Seng Fertilizers Trading

We trade and distribute fertilisers through Hap Seng Fertilizers Sdn Bhd. We operate our own Nitrogen, Phosphorus and Potassium (NPK) compaction plant in Lahad Datu. NPK is an essential fertiliser in growing food crops to meet the rising food demands. Our NPK plant operates in accordance with the Quarterly Environmental Compliance Report to ensure it adheres to all local environmental regulations as well as health and safety regulations.

The ceramic tile segment, one of our building materials segments, has set targets for electricity and water consumption as well as emissions. We view these targets as crucial not only because of the subsidy rationalisation by the government on the price of natural gas and electricity but also because it is a way to measure our impact on the environment. This is vital to us in terms of water usage as it directly contributes to how we manage dry spells that occur annually in Kluang, Johor, where our ceramic tile factories are located.

Energy Consumption and Management



Group



We rely on energy to run our businesses, be it the quarry, asphalt and brick segment; trading; or ceramic tiles in our building materials division. The natural gas and electricity consumption for ceramic tile production accounts for 25% of its cost. We have adopted eco technological solutions with the aim of reducing energy consumption.

Electricity Consumption of MMSB

| Indicator for per unit tile production | Unit | 2016 | 2017 | 2017 Target | Achieved |
|--|--------------------|------|------|-------------|----------|
| Electricity consumption | kWh/m ² | 5.75 | 5.89 | <6.10 | √ |

* Based on energy utilised in factories only.

To date electricity consumption per unit tile production has increased. This is because production output was 2.19% lower in 2017.

| Division | 2017 Electricity Consumption (kWh) |
|-------------------------------------|------------------------------------|
| Property Investment and Development | 15,502,762* |
| Credit Financing | 381,645** |
| Automotive | 4,027,139*** |
| Fertilizers Trading | 643,040** |
| Building Materials | |
| • Quarry, asphalt and brick segment | • 26,068,099** |
| • Ceramic tile segment | • 67,722,778 |
| Total | 114,345,463 |

* Data takes into account Menara Hap Seng (MHS), Menara Hap Seng 2 (MHS2) and Plaza Shell, covering the consumption of HSCB and its subsidiaries, as well as common areas. Consumption arising from the usage of the centralised air-conditioning by all tenants is included. Usage by tenants is beyond our control as they can request for an extension of air-conditioning after regular working hours.

** Data covers operations in Malaysia. For quarry, asphalt and brick segment, the data covers only plants and quarry equipment but not the office.

*** Covers 8 branches except one that was newly-opened in Iskandar Malaysia, Johor, in September 2017.

Our automotive division's solar panel project for Kinrara Autohaus is in its final stage, and we expect to disclose relevant data about it from 2018 onwards.

Ceramic Tile Segment

- Energy meters have been installed on machines that consume a lot of electricity.
- Soft starters and inverter motors are being used to reduce current surges and to regulate voltage when powering up machines and equipment.
- The temperature in rooms is controlled.
- Compressed air is utilised and maintained to ensure no wastage and leakage.
- Skylight/transparent roofs and LED high bay lights are used for energy-efficient lighting.
- A dedicated Energy Committee has been formed to plan, manage and closely monitor energy consumption.



Natural Gas and Diesel

Natural Gas Consumption for MMSB

| Indicator for per unit tile production | Unit | 2016 | 2017 Actual | Target | Achieved |
|--|-----------------------|------|-------------|--------|----------|
| Natural gas consumption | mmBtu/m ² | 0.11 | 0.11 | <0.12 | √ |
| Diesel consumption | litres/m ² | 0.04 | 0.04 | <0.05 | √ |

* Based on energy utilised in factories only.

MMSB's initiatives to enhance the performance and usage of natural gas and diesel:

- Installation of Waste Heat Recovery at the kilns to channel heat back into the dryer and spray dryer.
- Increase of production output while maintaining product quality through improved formulas whereby tiles can be fired faster.
- Investment in technology by replacing all gas burner nozzles with an improved high-efficiency alternative.
- Scheduled maintenance of the facility's pipes and equipment to ensure fuel is not wasted through leaks, and burners are used more efficiently.

The Benefits of Smart Warehousing

The implementation of the automated storage and retrieval system (ASRS) in MMSB has enabled us to lessen the number of manned forklifts and thus reduce the usage of diesel and lighting. This smart warehousing solution utilises a computer-controlled robotic system for storing, sorting and retrieving loads from shelves, stacks and other inventory locations, thereby increasing the efficiency and accuracy of stock retrieval.

Water Consumption and Management



Group



We have undertaken various initiatives to monitor and track water consumption throughout the Group. While most of our operations do not consume a substantial volume of water, we have nonetheless put in place systems to reduce water usage. These systems are further complemented by vital facilities to monitor consumption, especially in operations involving our automotive service centres, building materials divisions and tile factories.

| Indicator for per unit tile production | Unit | 2016 | 2017 Actual | Target | Achieved |
|--|--------------------------------|-------|-------------|--------|----------|
| Water Consumption | m ³ /m ² | 0.018 | 0.017 | ≤0.018 | √ |

* Based on energy utilised in factories only.

| Division | 2017 Water Consumption (m ³) |
|--|---|
| Credit Financing | 1,995* |
| Automotive | 49,810** |
| Fertilizers Trading | 9,457* |
| Building Materials <ul style="list-style-type: none"> • Quarry, asphalt and brick segment <ul style="list-style-type: none"> ◦ Surface water ◦ Underground water ◦ Piped water • Ceramic tiles segment | <ul style="list-style-type: none"> • 216,405 <ul style="list-style-type: none"> ◦ 164,752 ◦ 40 ◦ 51,613 • 194,549 |
| Total | 472,216 |

* Covers operations in Malaysia. For credit financing division, data covers all Malaysian branches except for water utility payment which is covered via rental and fixed charges.

** Covers 8 branches except one that was newly-opened in Iskandar Malaysia, Johor, in September 2017.

*** Water consumption at property division is not included as it consists of tenants' water consumption.

Some Ways Our Building Materials Division Manages Water Consumption

For the ceramic tile segment, water consumption from surface and groundwater amounted to 27% of total water usage. MMSB production facilities conduct rainwater harvesting and all facilities have water treatment plants where water is recycled to minimise metered water consumption.

Our quarry, asphalt and brick segment uses water sourced from water pits within our quarries. These pits were constructed as a sedimentation pond to prevent sludge from contaminating surrounding water sources as well as to collect rainwater. We ensure that our water sources are not from protected areas, not biodiversity rich and not important to the local community or indigenous groups.

Waste Management



Automotive



Building Materials

Our business division adheres to the Environmental Quality (Scheduled Wastes) Regulations 2005 for waste management. We have made it a priority to ensure all solid wastes and effluents are managed according to set regulatory requirements. We apply various methods to reduce or recycle waste within our facilities. For example, MMSB has a closed loop water management system where wastewater is treated and recycled for plant usage. No wastewater is discharged to municipal drains. The fertilizers trading division notes that wastage that occurs during the transportation of products is less than 1% and has no direct impact on the environment. Our quarry business complies with the Department of Environment's waste management guidelines.

We continue internal efforts to reduce, reuse and recycle in our operational areas, be it paper in our offices or effluents discharged from our quarries and ceramic tile factories. MMSB recycles packaging materials and an agreement has been made with our suppliers through purchase orders and contracts. The division's own packaging material is made of either unbleached recycled or recyclable paper materials.

Scheduled waste* (tonnes) in our business divisions

| Division | 2016 | 2017 |
|---|-------|---------|
| Automotive | - | 123.0** |
| Building Materials – Ceramic tile segment | 106.1 | 97.4 |
| Total | 106.1 | 220.4 |

* Handled by Department of Environment (DOE) approved vendors for treatment and/or recovery.

** Data covers five major after-sales centres

| Division | Waste Landfilled (tonnes) | Waste Recycled (tonnes) |
|---|---------------------------|-------------------------|
| Automotive | 23.6* | 13.5* |
| Building Materials – Ceramic tile segment | 312.0 | 20,152.4 |
| Total | 335.6 | 20,165.9 |

* Data covers five major after-sales centres and consists of scrap metals, carton boxes, oil drums, paper and spent plastic.

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A total of 16,409.6 tonnes of waste was recycled while 385.7 tonnes was landfilled by MMSB in 2016. There is a 23% increase of waste recycled and a 19% decrease of waste to landfill from 2016 to 2017.



E-waste recycling initiatives (MHS & MHS2)

At MMSB, we purchase cartons made from recycled paper. In addition, our paper products are made from recycled carton, newspaper and other types of papers. Under this programme, we consumed 2,047 tonnes in 2017 (2016: 2,655 tonnes). Thus, we were able to save 23% of paper used.

Monitoring and reporting on proper waste disposal is undertaken as part of our operations. For instance, at our construction sites, we have dedicated areas for the collection of waste. Here, waste is separated into recyclable and non-recyclable materials prior to their appropriate disposal.

Our property division has set up the Waste Data Collection Report for construction sites in Peninsular Malaysia. This will give the division insight into how waste management is being handled at construction sites by external contractors. Site contractors are provided with three separate bins for the segregation and collection of waste, namely: i) recyclable timber; ii) recyclable metal/steel and iii) non-recyclable waste. As a matter of monitoring, contractors are required to produce receipts to document the weightage of materials sent for recycling. This data is collected by the respective contractors.

Construction Waste Management



Property Investment and Development

| Division | Waste Disposed (tonnes) | Waste Recycled (tonnes) |
|--------------------------------------|-------------------------|-------------------------|
| Property Investment and Development* | 1,100 | 541 |

* Data covers waste at the construction site of The Aria Luxury Residences and Menara Hap Seng 3 only.

GHG Emissions



Building Materials

We focus on Scope 1 and Scope 2 for GHG emission management. Scope 1 emissions are from sources directly owned by the Group and Scope 2 is emissions produced from the consumption of purchased electricity and natural gas.

Ceramic Tile Segment

| Indicator for per unit tile production | Unit | 2016 | 2017 Actual | Target | Achieved |
|--|------------------------------------|---------|-------------|-----------|----------|
| Scope 1 GHG Emission | tCO ₂ /m ² * | 0.00011 | 0.00011 | < 0.00012 | √ |
| Scope 2 GHG Emission | tCO ₂ /m ² * | 0.0102 | 0.0105 | < 0.0108 | √ |

* Based on energy utilised in factories only.

The automotive division is also subject to air quality checks twice a year via an air quality sampling session. This includes service centres, where samples are taken at the body and paint works areas. Additionally, the bay exhaust vents are inspected.

Dust Emission



**Building
Materials**



To manage the dust at our quarry operations, we have implemented enclosed conveyors and dust suppression systems which trap airborne dust. It is worth noting that our quarries produce dust within the permissible limits in accordance with the EIA order. Hap Seng Building Materials invested in an environmental monitoring system for surface water sampling; ambient air and noise monitoring; vibration monitoring; and stack emission monitoring in 2017.

In our tile making factory, we have installed a vacuum system to trap dust particles, which are then used as recycled materials in MMSB. In 2017, we engaged an external expert to conduct assessments on dust emissions, noise pollution and water contamination on a half yearly basis. This process will enable us to manage emissions better.

Noise Emission



**Building
Materials**



To manage operational noise from blasting and crushing activities at our quarries, we have taken various steps to comply with the Minerals & Geoscience Department's requirements and regulations as well as the EIA. This is to also ensure that we reduce our environmental impact. Quarterly assessments are conducted by our environment consultants to ensure that the noise produced is within the permitted levels.

We are guided by our own Environmental Management Plan which includes the installation of bunkers to reflect the noise produced when blasting rocks. For quarries that require noise emission monitoring, we maintain the noise produced within the permissible limits of the EIA regulations.

Social

Employees are key to our success. We believe in providing an encouraging workplace where inclusion and equal opportunity play a vital role.

Our Conducive Workplace

| Material Social Aspect | Key Impact Areas | Focus in 2017 |
|--------------------------------|--|---------------|
| Our Conducive Workplace | Occupational Safety and Health (OSH) | • Group |
| | Employee Engagement | • Group |
| | Labour Management | • Group |
| | Diversity and Equal Opportunity | • Group |
| | Mercedes-Benz Advanced Modern Apprenticeship Programme | • Automotive |

A conducive workplace which offers diversity and equal opportunity as well as prioritises safety and health is mandatory. In addition, we make it a point to listen to our employees and engage them, while also growing the communities around us.

Occupational Safety and Health



Group



OSH is emphasised throughout the Group especially in the fertilizers trading and building materials divisions. We have in place OSH regulations for a safe working environment and will continue improving our policies, systems and procedures. The emphasis on health and safety is also extended to contractors and members of the local communities.

| Year | LTIFR* 2016 | LTIFR* 2017 | Number of fatalities |
|--|-------------|-------------|----------------------|
| Property Investment and Development** | - | 0 | 0 |
| Fertilizers Trading | - | 1.31 | 0 |
| Building Materials | | | |
| • Quarry, asphalt and brick segment | • 0.32*** | • 0.48 | • 0 |
| • Ceramic tile segment | • 3.7 | • 3.6 | • 0 |

* LTIFR = Lost Time Injury Frequency Rate, which is the number of lost time injuries occurring in a workplace per 1 million man-hours worked per year.

** Data covering construction sites at The Aria Luxury Residences, Rumah Selangorku at D'Alpinia, Akasa Cheras South, and Menara Hap Seng 3.

*** Restatement of data due to revision in the number of employees.



A group photo to record a meaningful discussion at the Hap Seng Group CSR Tabletalk held at Plaza Shell.



Participants listening attentively to the health talk on cardiac arrest and back pain.

The property division conducted a total of 401 toolbox briefings and 46 safety training sessions last year. We also conducted 239 fogging exercises at our construction sites.

Our automotive division is in the midst of establishing an OSH policy while having in place safety and health guidelines for after-sales operations across all our centres.

The fertilizers trading division reviewed its Chemical Health Risk Assessment, which is required by the Department of Occupational Safety and Health. This was conducted to:

- a) identify hazardous chemicals stored and handled on the premises;
- b) identify work units that come into contact with hazardous chemicals and evaluate staff exposure to them;
- c) evaluate the efficiency of controls placed at the workplace in managing such chemicals;
- d) identify any health risks to employees arising from the presence of these hazardous chemicals and controls placed to mitigate such risks.

The Building Materials division conducted a total of 189 safety walks (in 2017) which provided managers with a chance to observe the grounds and identify opportunities to improve workplace safety as well as site safety and housekeeping.

A Safety and Health Policy is in place in our quarry, asphalt and brick segment. MMSB is certified by SIRIM and IQNET internationally for achieving full compliance with OHSAS 18001:2007 – a testament to our workplace safety and commitment to minimising risks to our employees.

Employee Engagement



Group

We continue to engage our employees regularly. This enables us to hear our employees' feedback and provide a conducive workplace.

The Balanced Scorecard methodology is used to drive diverse divisions towards achieving a common strategic direction and business objectives. The four dimensions covered in the Scorecard are Financial, Customer & Markets, Internal Processes, and Learning & Growth. At the same time, the achievement against the defined measures and targets will translate into corresponding compensation rewards at the end of each performance period. This will instil and reinforce a performance driven culture within our Group.

Safety and Health Week at Menara Hap Seng

Almost 600 participants attended the talks during our safety and health week organised by the Bureau of Safety and Health of Menara Hap Seng. The campaign was held for the benefit of Hap Seng employees and tenants based at Menara Hap Seng as well as members of the public frequenting the building.

The safety and health campaign aimed to create awareness on health care and safety in both the work and home environment. Various other talks and exhibitions on the topic of health and safety were held during the campaign. Booths were also set up to drive home the point. Some agencies were on hand to provide free health screenings. A basic CPR demonstration was conducted and the public was given the opportunity to practise dealing with emergency situations. The Fire Prevention Society displayed fire prevention equipment while the LPPKN (The National Population and Family Development Board) promoted family wellbeing.

Labour Management



Group

It is part of our culture to maintain an "Open Door" policy where we encourage communication, feedback and discussion on any matter of importance to staff. An employee is encouraged to convey grievances to the next level. Any unresolved grievances or discontentment can be referred further to the Group Human Resource Division.

At our property division, we engage with contractors on waste tracking. We also undertake discussions with internal stakeholders pertaining to immigration rulings and requirements regarding foreign workers at the Group.

Diversity and Equal Opportunity



Group

The way to achieve a thriving workplace is to encourage diversity and equal opportunity in the Group from different perspectives including gender, age, ethnicity, race, nationality, professional background, skills and experience. While we strive towards attaining an optimum balance, we create opportunities where warranted, without compromising our commitment to shareholders and the communities we work in.

Mercedes-Benz Advanced Modern Apprenticeship Programme



Automotive



Hap Seng Star provides scholarships and on-the-job training for students at the Mercedes-Benz Advanced Modern Apprenticeship Programme in Malaysia. This programme benefits both the students and Hap Seng Star as it provides hands-on experience and specific knowledge of the mechanics and electronics of Mercedes-Benz while also ensuring there is a steady stream of trained and skilled technicians. For the Year 2017-2020 batch, we have 83 participants in the programme.

| Description | 2015 | 2016 | 2017 |
|--|-------|-------|--------------|
| Workforce data | | | |
| Total number of employees | 3,202 | 3,408 | 3,486 |
| Number of employees, by gender | | | |
| Female | 1,019 | 1,070 | 1,131 |
| Male | 2,183 | 2,338 | 2,355 |
| Number of employees, by age group | | | |
| <30 | 788 | 928 | 1,005 |
| 30 – 40 | 1,059 | 1,090 | 1,082 |
| 40 – 50 | 854 | 876 | 841 |
| >50 | 501 | 514 | 558 |
| Number of employees, by ethnicity | | | |
| Bumiputra | 1,786 | 1,831 | 1,881 |
| Non-bumiputra | 1,154 | 1,225 | 1,286 |
| Foreigners | 262 | 352 | 319 |
| Number of employees, by region | | | |
| Peninsular Malaysia | 2,270 | 2,470 | 2,536 |
| East Malaysia | 932 | 938 | 950 |
| Percentage of women in management | | | |
| Board Level | 11.1% | 11.1% | 10.0% |
| Top Management | 16.1% | 14.3% | 16.1% |
| Senior & Mid Management | 36.3% | 38.0% | 40.6% |
| Executive/Supervisory | 47.6% | 49.3% | 51.4% |
| Graded | 24.7% | 23.4% | 23.5% |

| Description | 2015 | 2016 | 2017 |
|--|-------|-------|--------------|
| New hires data | | | |
| Total number of new hires | 780 | 766 | 856 |
| Number of new hires, by gender | | | |
| Female | 228 | 215 | 239 |
| Male | 552 | 551 | 617 |
| Number of new hires, by age group | | | |
| <30 | 441 | 469 | 613 |
| 30 – 40 | 208 | 193 | 150 |
| 40 – 50 | 84 | 87 | 65 |
| >50 | 47 | 17 | 28 |
| Number of new hires, by region | | | |
| Peninsular Malaysia | 623 | 643 | 695 |
| East Malaysia | 157 | 123 | 161 |
| Turnover rate | 21.0% | 15.6% | 19.7% |
| Percentage of unionised employees | 25.4% | 25.0% | 25.9% |

Hap Seng Group in the Community

| Material Social Aspect | Key Impact Areas | Focus in 2017 |
|---------------------------------|---|---------------|
| Hap Seng Group in the Community | • Multi-stakeholder Dialogue in the Community | • Group |
| | • Hap Seng Group in MCII | |
| | • Community of Coders through the Hap Seng Group D-Code | |
| | • Hap Seng Group Internet of Things (IoT) | |
| | • OSH in Schools | |
| | • Empowering the Tanjung Batu Community | |
| | • Leadership Summer Camp in Tawau | |
| | • Tawau Vision School | |

Group CSR oversees community programmes conducted across all business divisions, spearheading various initiatives and programmes across key focus areas that impact a wide range of beneficiaries.

The culture of giving back is embedded in our history, hence we continually encourage our employees to volunteer for good causes which benefit the community. We have also moved to an outcome-based strategy in our longer-term community programmes. This is beginning to show tangible results, not just for the community, but increasingly with a multiplier effect.

As a result, the Group is today regarded as a key corporate participant in multi-stakeholder panels with deeper dialogue and action-based plans for the community. In 2017, we invested approximately RM8.7 million in various community initiatives.

Multi-stakeholder Dialogue in the Community

The Group initiated the Sabah Education Round Table to discuss education issues in Sabah with the state Education Department, foundations and corporate funders as well as NGOs. As a result, a communication channel between NGOs and the state Education Department was established and a list of education-based issues and priorities was outlined.

Two more roundtables have since been initiated. Having shaped the ecosystem and initiating the communication strategy, Hap Seng Group now plays the role of advisor and connector.

Hap Seng Group in MCII

Hap Seng Group is a founding member and a member of the steering committee in Malaysian Collective Impact Initiative (MCII). The MCII is a stakeholder collaboration model programme aimed at achieving systemic educational and social change in Malaysia through cross sector partnerships. MCII works with schools and the community to identify needs and map these to member programmes in a coherent framework to improve education results.

MCII has chosen to focus on schools in the Klang district. All programmes carry a common agenda on literacy development and career aspirations. Initially starting with two schools, the MCII programme is now present in 12 primary and secondary schools. Hap Seng has played a crucial role in introducing the D-Code to all 14 schools under the MCII.

Aiming to encourage collaboration among NGOs and social entrepreneurs, the MCII Klang community identified the following needs:

- Improving child nutrition
- Providing high quality affordable early years education
- Upskilling at-risk youth
- Providing safe after school spaces

With the theme “The Collaboration Challenge”, Hap Seng Group hosted the 12th Funders’ Roundtable which aimed to reach out to NGOs, social entrepreneurs and individuals to encourage collaboration for better impact through shared resources, expertise and vision.

This challenge saw three or more NGOs and social enterprises collaborating to develop a solutions-oriented programme to solve any of the identified social issues. Out of a total of nine teams who pitched their solutions to the funding partners, **MakanLah’s Canteen Food: The Healthy Way** and **Impact Hub’s – The Garden of Opportunities** initiatives emerged victorious to win the RM200,000 grant (RM100,000 each) provided by 10 MCII and external funders.

Nutrition plays an important role in students’ health, ability to learn and productivity. MakanLah and its collaborators focused on a three-pillar solution, which develops a healthy menu, supplies core ingredients at a lower cost, and provides training and business development to school canteens.

The solution will help canteens provide healthy, delicious and affordable food to students.

Community of Coders through the Hap Seng Group D-Code

Hap Seng Group D-Code is an inter-school camp and competition coding literacy programme, a collaboration between Hap Seng Group and Startup Malaysia. The first phase was done in partnership with the Sabah State Education Department targeting students aged between 13 and 15 years. The two-year project, involving all 212 secondary schools throughout Sabah, was rolled out in July 2015 and successfully reached out to 1,061 students and 212 teachers from 210 secondary schools throughout Sabah.

The programme content focuses on:

- Logical thinking and problem-solving skills
- Teamwork and team spirit
- Confidence
- Leadership
- Collaboration, soft skills development and Higher Order Thinking Skills (HOTS)
- Internet safety

| Hap Seng Group D-Code in 2017 | Sabah | Klang |
|-------------------------------|-------|-------|
| Number of schools | 65 | 14 |
| Number of students | 211 | 180 |
| Number of camps | 7 | 6 |

1. Hap Seng Group D-Code: Second Phase

In 2017, for the second phase, we added a pre-selection filtration process, where interested schools had to submit a short video and write an essay on why they deserve to participate in the programme. Of the 211 coders who participated, 86 participants were from the first phase, while 125 were new faces. Many of the new coders learned coding from their peers, showing the existence of an effective peer-to-peer learning that continues at the schools, beyond the coding camps.

The champions for phase two were SMK Bugaya, Semporna and SMK Kundasang, Ranau. Both are rural schools proving once again that given equal opportunity the most creative and innovative students would shine.



What I learned at D-Code

This is my second year in the programme. Last year, I was on the winning team.

While the programme emphasises coding, it also taught me a lot about leadership and communication – especially during the pitching segment.

There were many opportunities for peer-to-peer learning. Earlier this year, my school established a coding club and through that club I've trained 10 other students with knowledge about coding. Having completed this programme, I plan to learn more programming languages and create more demo websites to showcase my skills. I also plan to go into Software Engineering when I leave school.

Nur Aqeela Arujin
SMK Kundasang



2. Hap Seng Group D-Code: Klang Edition

Hap Seng Group D-Code was extended to schools in Klang but this time, the programme had a more customised content delivery to include primary schools' students. In total, 60 secondary school students and 120 primary school students attended the programme. The winner was SJKC Hin Hua, Kapar with its project, 'E-Koperasi SJKC Hin Hua'.

Teachers became mentors through Hap Seng Group Internet of Things (IoT).

Hap Seng Group's Internet of Things (IoT) programme is an initiative in collaboration with Chumbaka, targeted at teachers with special emphasis on mentoring and project-based learning. Through technical and soft-skill bootcamps, the programme was carried out to arm teachers with mentoring skills to deliver 21st century learning in their classrooms.

The programme reached 24 secondary schools in the interiors of Sabah. It is worth noting that 64% of the 2017 state level Young Innovate Challenge (YIC) awards were won by students mentored by the 48 teachers who took part in the Hap Seng IoT camps. One team from SMK Tambunan even made it to the national YIC.

OSH in School

Schools should be able to identify potential health and safety issues in their surroundings and managing such issues if, and when, they occur. For this purpose, Hap Seng worked together with NIOSH to introduce the Occupational Safety and Health or OSH in School programme to expose and educate the school citizens especially the students to a safety culture and careers. A group of 620 students, 30 teachers and 10 volunteers from Hap Seng Group in Tawau participated in the event. Among the activities were a safety exhibition, OSH Race Challenge, Spot the Hazards, and Interactive Talks by the Road Safety Department and NIOSH.

Empowering the Tanjung Batu Community

The idea of a learning culture is sown into the Tanjung Batu community at Pusat E-Desa centre and the Kg Tg Batu Keramat centre, where English proficiency classes are held for participants ranging from seven to 50 years old. The community learning programme was developed and delivered by SOLS 24/7, an award-winning humanitarian organisation, in collaboration with UPPM Tanjung Batu and Pusat E-Desa Tanjung Batu, Sabah. This programme aims to ultimately build an ecosystem where youth development is supported by the community as a whole.



A group photo of the students and volunteer teachers at the Tanjung Batu Community learning centre

Leadership Summer Camp in Tawau

120 children of Tawau embarked on a self-development and leadership journey through Hap Seng Group Tawau Summer Camp, which was held in December 2017 at Bandar Sri Indah (BSI) Sports Complex. Conducted by Leaderonomics, this camp is designed to nurture positive leadership characteristics among children with an emphasis on personality discovery, strengths discovery and character development. Participants between 7 and 15 were exposed to four critical aspects of leadership: Enthusiasm, Patience, Creativity, and Responsibility.

Tawau Vision School

In 2017, Hap Seng Group funded the construction of the Vision School dormitory complex, which can accommodate 150 students in Bandar Sri Indah, Tawau, Sabah. The dormitories are meant to house students from outside Tawau by providing them access to quality education.

The dormitory is equipped with up-to-date facilities such as an Internet connection, games, recreational and study halls, and visitor rooms, besides the usual common facilities.

The vision school is a church-owned private school that provides affordable and quality education to students from Primary 1 to Form 5, catering to the community in Sabah.

AWARDS

Group

- Gold (Highest Returns To Shareholders Over Three Years) for Big Cap Companies with RM10 Billion to RM40 Billion Market Capitalisation at The Edge Billion Ringgit Club Corporate Awards 2017.
- Silver (Highest Growth In Profit After Tax Over Three Years) for Big Cap Companies with RM10 Billion to RM40 Billion Market Capitalisation at The Edge Billion Ringgit Club Corporate Awards 2017.

Property Investment and Development

- FIABCI World Prix d'Excellence Award 2017 under the Industrial Category for Hap Seng Star Mercedes-Benz @Balakong at the FIABCI World Congress 2017 held in Andorra.
- FIABCI Malaysia Property Award 2017 under Office Category for Plaza Shell, Kota Kinabalu.
- FIABCI Malaysia Property Award 2017 under Residential High Rise Category for Horizon Residences, Kuala Lumpur.

Automotive

- Mercedes-Benz Dealer of the Year 2017 – HSS Balakong
- Customer Satisfaction Index – Delightful Customer Care: Champion – HSS Balakong
- Customer Satisfaction Index – Delightful Customer Care: 1st Runner Up – HSS Bukit Tinggi
- Customer Satisfaction Index – Delightful Customer Care: 2nd Runner Up – HSS Kuching
- Customer Loyalty Index – Best Ownership Experience: Champion – HSS Kota Kinabalu
- Customer Loyalty Index – Best Ownership Experience: 1st Runner Up – HSS Kuching
- Best in Financial Services 2017 – HSS Jalan Ipoh
- Best in Business Excellence 2017 – HSS Kinrara



The Edge Billion Ringgit Club Corporate Awards 2017



FIABCI World Prix d'Excellence Award 2017

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