



REG.NO.201801043588(1305620D)

HPP HOLDINGS BERHAD

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MINUTES OF THE FIFTH ANNUAL GENERAL MEETING OF HPP HOLDINGS BERHAD ("HPP" OR "THE COMPANY") HELD AT HALL SWAN 1, LEVEL 10, SWAN GARDEN HOTEL MELAKA, 1, JALAN KSB 1, TAMAN KOTA SYAHBANDAR, 75200 MELAKA, MALAYSIA ON FRIDAY, 27 OCTOBER 2023 AT 11.00 A.M.

PRESENT

DIRECTORS:-

- | | |
|------------------------------|--|
| Mr Lau Tee Tee @ Lau Kim Wah | - Non-Independent Non-Executive Chairman |
| Mr Kok Hon Seng | - Executive Director / Group Managing Director |
| Madam Ng Soh Hoon | - Executive Director / Procurement Director |
| Mr Philip Goh Teck Siang | - Independent Non-Executive Director |
| Mr Choo Chee Beng | - Independent Non-Executive Director |
| Mr Lee Chong Leng | - Independent Non-Executive Director |

IN ATTENDANCE

- | | |
|------------------|---------------------|
| Mr Lim Seng Koon | - Company Secretary |
|------------------|---------------------|

SHAREHOLDERS AND PROXIES

As per Attendance List

BY INVITATION

As per Attendance List

The shareholders and proxyholders (collectively referred to as "**Members**"), and invitees who attended the Fifth Annual General Meeting ("**Fifth AGM**" or "**the Meeting**") are set out in the Attendance Lists attached and shall form an integral part of these Minutes.

INTRODUCTION BY THE CHAIRMAN

The Chairman, Mr Lau Tee Tee @ Lau Kim Wah welcomed all Members and invitees present at the Fifth AGM of the Company. The Chairman thereafter introduced the Board of Directors, the Company Secretary, Key Senior Management and the External Auditors to all present.

QUORUM

The Company Secretary confirmed that a quorum was present for the Meeting pursuant to Clause 56 of the Company's Constitution. With the requisite quorum being present, the Chairman called the Meeting to order at 11.00 a.m..

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The Company Secretary informed the Meeting that the Company had received in total six (6) proxy forms from shareholder for a total of 200,898,930 ordinary shares representing 51.72% of the total number of issued shares of the Company.

NOTICE

The Notice of the Fifth AGM having been circulated within the prescribed period, was with the permission of the shareholders taken as read.

To avoid any disruption to the proceedings of the Meeting, the Chairman requested all present at the Fifth AGM to switch off their handphones, tablets or such other similar devices or switch them to silent mode.

The Members were encouraged to participate, speak and vote for the resolutions at the Fifth AGM.

The Chairman informed the Meeting that pursuant to Rule 8.31A of the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions set out in the Notice of the Fifth AGM must be voted by poll.

Accordingly, the Chairman, in his capacity as Chairman of the Meeting, demanded for a poll to be taken on all the resolutions set out in the Notice of the Fifth AGM pursuant to the Constitution of the Company.

To facilitate the poll process, the Company had appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll voting and Sky Corporate Services Sdn. Bhd. as the Independent Scrutineers to verify the poll results.

The Chairman also informed that the polling process would be conducted following the deliberation of all items set out in the Agenda.

PRESENTATION ON FINANCIAL HIGHLIGHTS OF HPP GROUP FOR THE FINANCIAL YEAR ENDED 31 MAY 2023

At the invitation of the Chairman, Mr Mah Chen Wah ("**Mr Mah**"), the Company's Chief Financial Officer, presented to the Meeting the financial highlights of HPP Group for the financial year ended 31 May 2023. The presentation by Mr Mah encompassed the following areas:-

- General introduction including mission, vision, objectives and the quality certifications achieved by HPP Group.
- Revenue segmentation by products, customers' industry, both domestic and international sales.
- Gross Profit analysis with the inclusion and exclusion of share-based payment.
- Comparison of net asset per share to total equity attributable to owners.
- Basic earnings per share.
- Comparison of cash and bank balances, net of fixed deposit pledged as security to gearing ratio.

Upon the conclusion of presentation, the Chairman thanked Mr Mah for his overview and then proceeded to address the resolutions set out in the Agenda.

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*- Minutes of the Fifth Annual General Meeting held on 27 October 2023***AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2023
TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON**

The Audited Financial Statements for the financial year ended 31 May 2023 (“**AFS**”) together with the Reports of the Directors and Auditors thereon, which have been circulated to all shareholders for the prescribed period, were tabled for discussion.

The Chairman informed that this Agenda item was meant for discussion only and would not be put to vote as approval from the shareholders was not required pursuant to Section 340(1) of the Act. The Chairman then invited questions from the floor in respect thereof.

QUESTION AND ANSWER SESSION

It was noted that the Company had received questions from the Members during the Meeting. The questions raised were succinctly addressed by the Board of Directors and Senior Management. The salient questions raised and relevant answers were as follows: -

(1) What will be the expected revenue contribution from paper pulp moulded packaging product in the financial year 2024?

The operations for paper pulp moulded packaging products have been scheduled to commence in November 2023. Under the leadership of Mr Kok Hon Seng, the Group Managing Director, the marketing team has conducted extensive market research, identifying underserved and unserved markets for our upcoming paper pulp moulded packaging products. Additionally, it was noted that some of the local customers with such demand are currently sourcing paper pulp moulded packaging products from overseas suppliers.

The Board and Management were unable to provide any forward-looking statement on the expected revenue, but for assurance to the shareholders, the Board and Management had diligently assessed the investment proposal for paper pulp moulded packaging products. Both the Board and Management were of the view that this investment aligns with the investment parameters of the Group.

(2) What will be the short-term strategy of the Group in alignment with the European Commission’s aim to have ‘all packaging in the EU to be reusable or recyclable in an economically viable way by 2030’?

With the current emphasis on European Union requirements to all companies in adhering to sustainable Environmental, Social and Governance (“**ESG**”) standards, the utilisation of recyclable materials has become more prevalent in line with the growing demand of customers for sustainable practices. The production of paper pulp moulded packaging products would incorporate a significant proportion of recyclable materials, positioning it as a more environmentally friendly and green packaging option for our customers.

Our marketing strategy is closely aligned with customer needs with the aim of assisting both existing and prospective customers in reducing their carbon footprint and fulfilling their requirements for sustainable ESG initiatives. Both the Board and Management expressed optimism and confidence in the success of this new product which will be made available to our customers in the near future.

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(3) What will be the expected capital expenditure in the financial year 2024?

In the initial, the Group has incurred capital expenditures of approximately RM3,000,000 in the financial year 2023 for two (2) production lines of paper pulp moulded packaging, excluding the leasehold land acquired in Ayer Keroh, which shall commence operations in November 2023. The detailed information on these capital expenditures have been disclosed in the Annual Report 2023.

The Group intends to invest in additional production lines for paper pulp moulded packaging in the financial year 2024 subject to meeting the business justification. The necessary announcements will be made in due course.

(4) In view of the European Commission's aim to have 'all packaging in the EU to be reusable or recyclable in an economically viable way by 2030', what positive impact can the Group anticipate in terms of export sales?

The Group recorded an increase in export sales for the financial year 2023, from 13% to 17%, despite losing export sales from a Philippines customer due to their need to meet local content requirements imposed by the Philippines Government.

The Group recognises the potential of paper pulp moulded packaging product in United State of America ("USA") and European countries. In addition to serving customers in Thailand, Singapore and Mexico, the Group is also open to business opportunities in USA and European countries, leveraging its internationally recognised certifications and qualifications for green technologies.

Nevertheless, the immediate attention of the Group would be to satisfying the demand in Malaysia and ASEAN countries.

(5) Will HPP undertake any corporate exercise in financial year 2024 such as Merger and Acquisition driven by high cash reserves, and transfer listing to the Main Market of Bursa Securities?

Relevant disclosure and/or announcement will be made as and where appropriate.

(6) Could the Board of Directors provide any plans to attract investment from institutional shareholders to the Group, thereby benefiting the shareholders of the Company with high dividend?

The Company has taken steps to instil confidence among investors, including organising small-scale workshops with institutional investors and investment research houses. These sessions would provide insights into the company's performance and to address queries and thus, contributing to a better understanding of the Company. Three (3) investment research houses have already started providing coverage reports on HPP's performance, and in their latest reports, two (2) out of three (3) recommended a "Buy" call, while the remaining recommended a "hold" call for HPP's shares.

Employees' Provident Fund, one (1) of the largest institutional shareholders in Malaysia, would be guided by its internal requirements on investments that may not place a high emphasis on companies listed in ACE Market and smaller entities. Nevertheless, HPP has consistently declared dividends in last 3 years, ranging from 46% to 69% of the

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Group's profit after tax. This is respectable considering the Company is still in its growth phase.

Moving forward, the Company will commit to enhance its visibility across various contexts. Management would remain focus on its strategy and direction in prioritising the understanding and fulfilment of the customers' needs.

After addressing the questions received, it was recorded that the AFS together with the Directors' and Auditors' Reports thereon be and are hereby received by the Members.

Thereafter, the Chairman went through each of the motions set out in the Notice of the Fifth AGM.

POLLING PROCESS

After all the motions have been tabled to the Meeting, the Chairman directed that the registration of the shareholders and proxies for the Meeting to be closed and proceed with the polling process. The Secretary briefed the Members on the polling process and directed the Members to deposit their polling forms into the ballot boxes upon completion. The Members present were then given time to cast their votes.

The Chairman informed that the outcome of the poll would be announced after a break as it would take time to tabulate the results of the poll and invited the Members present for a lunch in another room. The Fifth AGM was then adjourned at 11.45 a.m. for the votes to be counted and to enable the Independent Scrutineers to tabulate the result of the poll.

The Meeting resumed at 12.45 p.m. for the announcement of the results of the poll.

POLL RESULTS

The Chairman announced the results of the poll as follows: -

Ordinary Resolution 1	Votes in favour		Votes against		Result
	No. of votes	%	No. of votes	%	
To declare a final single-tier dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 May 2023.	290,735,800	100.0000	0	0.0000	Carried

It was UNANIMOUSLY RESOLVED: -

THAT the final single-tier dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 May 2023 be and is hereby approved for payment.

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Ordinary Resolution 2	Votes in favour		Votes against		Result
	No. of votes	%	No. of votes	%	
To approve the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM712,000.00 only for the period from 28 October 2023 until the conclusion of the next Annual General Meeting of the Company, to be paid monthly in arrears.	237,848,132	99.9996	1,000	0.0004	Carried

It was RESOLVED: -

THAT the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM712,000.00 only for the period from 28 October 2023 until the conclusion of the next Annual General Meeting of the Company, to be paid monthly in arrears, be and is hereby approved.

Ordinary Resolution 3	Votes in favour		Votes against		Result
	No. of votes	%	No. of votes	%	
To re-elect Mr Lau Tee Tee @ Lau Kim Wah who is retiring pursuant to Clause 76(3) of the Constitution of the Company.	275,995,325	100.0000	0	0.0000	Carried

It was UNANIMOUSLY RESOLVED: -

THAT Mr Lau Tee Tee @ Lau Kim Wah who retired pursuant to Clause 76(3) of the Constitution of the Company be and is hereby re-elected as Director of the Company.

Ordinary Resolution 4	Votes in favour		Votes against		Result
	No. of votes	%	No. of votes	%	
To re-elect Mr Kok Hon Seng who is retiring pursuant to Clause 76(3) of the Constitution of the Company.	253,189,607	100.0000	0	0.0000	Carried

It was UNANIMOUSLY RESOLVED: -

THAT Mr Kok Hon Seng who retired pursuant to Clause 76(3) of the Constitution of the Company be and is hereby re-elected as Director of the Company.

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Ordinary Resolution 5	Votes in favour		Votes against		Result
	No. of votes	%	No. of votes	%	
To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	290,735,800	100.0000	0	0.0000	Carried

It was UNANIMOUSLY RESOLVED: -

THAT BDO PLT be and is hereby re-appointed as Auditors of the Company for the ensuing year and that the Directors be authorised to fix their remuneration.

Ordinary Resolution 6	Votes in favour		Votes against		Result
	No. of votes	%	No. of votes	%	
To approve the authority pursuant to Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	290,696,800	99.9866	39,000	0.0134	Carried

It was RESOLVED: -

THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 12(1) of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of offered shares in proportion of their holdings at such price and at such terms to be offered arising from issuance of new shares pursuant to this mandate by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such new shares.

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CONCLUSION OF MEETING

There being no other business to be transacted, the Meeting concluded at 12.50 p.m. with a vote of thanks to the Chairman.

SIGNED AS A CORRECT RECORD

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CHAIRMAN