SCAN ME

HPP HOLDINGS BERHAD

REG.NO.201801043588 (1305620D)

2026 ANNUAL REPORT

Harbour of Packaging Printing



CORPORATE PROFILE

HPP Holdings Berhad ("**HPP Holdings**" or "**Company**") was incorporated on 29 November 2018 as a private limited company in Malaysia under the Companies Act 2016. Subsequently on 15 November 2019, our Company was converted into a public limited company and was listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 20 January 2021. We are classified as a Shariah-compliant security since 27 May 2022 under the Industrial Products & Services sector.

We are principally an investment holding company. Through our subsidiaries Hayan Prints (M) Sdn. Bhd. ("**Hayan Prints**") and Envy Premium Box Supplies Sdn. Bhd. ("**Envy Premium**"), we are principally involved in the printing, production as well as sales and marketing of paper-based packaging, both corrugated and non-corrugated, and trading and production of rigid boxes. Our paper-based packaging is printed with full colour offset printing and flexographic printing technology. Hayan Packaging Sdn. Bhd. ("**Hayan Packaging**") and Big Tree Realty Sdn. Bhd. ("**Big Tree Realty**") are principally involved in the investment holding of real property.

In the fourth quarter of 2023, our Group broadened its product portfolio by launching paper pulp moulded packaging production line as part of our value based commitment to the Environmental, Social and Governance ("**ESG**").

VISION

To be the best "One Stop Solution Provider" in the printing and packaging industry

MISSION

To constantly evolve as a learning organisation and enhance customers' satisfaction through strengthening Q, C, D, S (Quality, Cost, Delivery and Service)

OUR PLANTS IN MELAKA



HEADQUARTERS WITH MANUFACTURING SITE



MANUFACTURING SITE 3



MANUFACTURING SITE 4



MANUFACTURING SITE 2



MANUFACTURING SITE 5



MANUFACTURING SITE 6

COMMITMENT

We are highly committed to our valued customers, providing customised services and superior quality products based on their needs.

TRANSPARENCY

We are always open with our communication and in what we do. Integrity and transparency are vital not only to our customers, but also within our internal community.

TRUST & INTEGRITY

We are always looking to build a healthy relationship through trust and we do that by striving to provide the very best that we can.

EMPLOYEES' WELFARE

We recognise that employees' welfare is of utmost importance by promoting work life balance, safe and healthy working environment for our employees.

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HISTORY AND KEY MILESTONES

START HERE

1996

- Incorporation of **HAYAN PRINTS**.
- Began printing and production of non-corrugated packaging.

2005

Acquired a reconditioned **PRINTING MACHINE**, a **GLUING MACHINE**, and a **DIE-CUTTING MACHINE** to expand our post-press production capacity.

2006

- Acquired **TWO** reconditioned **OFFSET PRINTING MACHINES** and **ONE** new **5-COLOUR OFFSET PRINTING MACHINE** with **ONLINE COATING** feature, a **FOLDING MACHINE**, a **GLUING MACHINE**, and a **DIE-CUTTING MACHINE** to complement the existing post-press processes.
- Obtained **ISO 9001:2015** and **ISO 14001:2015** certifications.

2007

- Began to provide **PRE-PRESS SERVICES** *(including advising customers on their packaging artwork designs).*

2008

- Acquired our first **6-COLOUR PRINTING MACHINE** with **ONLINE COATING** feature in order to meet our customers' requirements on new packaging designs.

2011

- Incorporation of **HAYAN PACKAGING** to market paper-based packaging products locally, which was previously undertaken by **HAYAN PRINTS**.
- Obtained **FOOD HAZARD ANALYSIS & CRITICAL CONTROL POINTS (HACCP)** certification which provides confidence to food and beverage manufacturers that our paper-based packaging is safe to be used for food and beverage.

2015

- Ventured into **PRINTING** and **PRODUCTION of CORRUGATED PACKAGING**.
- Began providing a more **COMPREHENSIVE SUITE** of printing services by adding more machines (such as computer-to-plate machine).

2018

- Started trading of **RIGID BOXES** through **HAYAN PRINTS**.
- Obtained **SONY GREEN PARTNER** accreditation.

HISTORY AND KEY MILESTONES

2019

- Began manufacturing of **RIGID BOXES** through **ENVY PREMIUM**.

2020

- Obtained **G7 MASTER FACILITY COLORSPACE** certificate.

2021

- Listed on the **ACE MARKET of BURSA SECURITIES**.
- Obtained **FOREST STEWARDSHIP COUNCIL® (FSC®)** Qualification.
- Changed in nature of business for **HAYAN PACKAGING** to investment holding of real properties.

We are FSC® certified (FSC® C167431)

2022

- Acquired one unit of **FULLY COMPUTERISED VACUUM TRANSFER 5+1 COLOURS FLEXO PRINTER IR DRYER VARNISH STACKER MACHINE** to meet customers' needs in this dynamic economy.
- Obtained ISO **12647-2** Process Standard Offset certifications.
- Obtained accreditation from **SGS & CO**, formerly known as **GRAPHIC MEASURES INTERNATIONAL (GMI)** to fulfil the process according to **ISO 12647**.

2023

- Commenced **PAPER PULP MOULDED PACKAGING** production line.
- Acquired one unit of **DRY HOT PRESS PAPER PULP MOULDED PACKAGING MACHINE**.
- Undergone the **SEDEX MEMBERS ETHICAL TRADE AUDIT (SMETA)**.

2024

- Acquired one unit of **WET HOT PRESS PAPER PULP MOULDED PACKAGING MACHINE**.
- Acquired one unit of **3D PRINTING MACHINE**.

2025

- Obtained the right of use of **MyHIJAU MARK**, an official green recognition endorsed by Government of Malaysia.
- Received the **2025 ASIAN PACKAGING EXCELLENCE AWARD IN OFFSET PACKAGING CORRUGATED** category.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Lau Tee Tee @ Lau Kim Wah
Non-Independent Non-Executive Chairman
Kok Hon Seng
Executive Director / Group Managing Director
Teng Tian Hee
Executive Director
Philip Goh Teck Siang
Independent Non-Executive Director
Datuk Lee Chong Leng
Independent Non-Executive Director
Chong See Ling
Independent Non-Executive Director
Fong Weng Meng
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE
Philip Goh Teck Siang *(Chairman)*
Datuk Lee Chong Leng
Chong See Ling

REMUNERATION COMMITTEE
Chong See Ling *(Chairman)*
Philip Goh Teck Siang
Datuk Lee Chong Leng

NOMINATION COMMITTEE
Datuk Lee Chong Leng *(Chairman)*
Philip Goh Teck Siang
Chong See Ling

COMPANY SECRETARIES
Tai Yit Chan
(MAICSA 7009143)
(SSM Practising Certificate No. 202008001023)
Tan Ai Ning
(MAICSA 7015852)
(SSM Practising Certificate No. 202008000067)
Lim Seng Koon
(MAICSA 7073229)
(SSM Practising Certificate No. 202008004364)

PRINCIPAL BANKERS
AMBank (M) Berhad
CIMB Bank Berhad
CIMB Islamic Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
United Overseas Bank (Malaysia) Berhad

REGISTERED OFFICE
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: +603-7849 4800
Fax: +603-7890 4650
Email: boardroom-kl@boardroomlimited.com

HEAD OFFICE
No. 37, Jalan TTC 29
Taman Teknologi Cheng
75250 Melaka
Tel: +606-335 6485
Fax: +606-335 1172
Email: info@hppholdings.com
Website: www.hppholdings.com

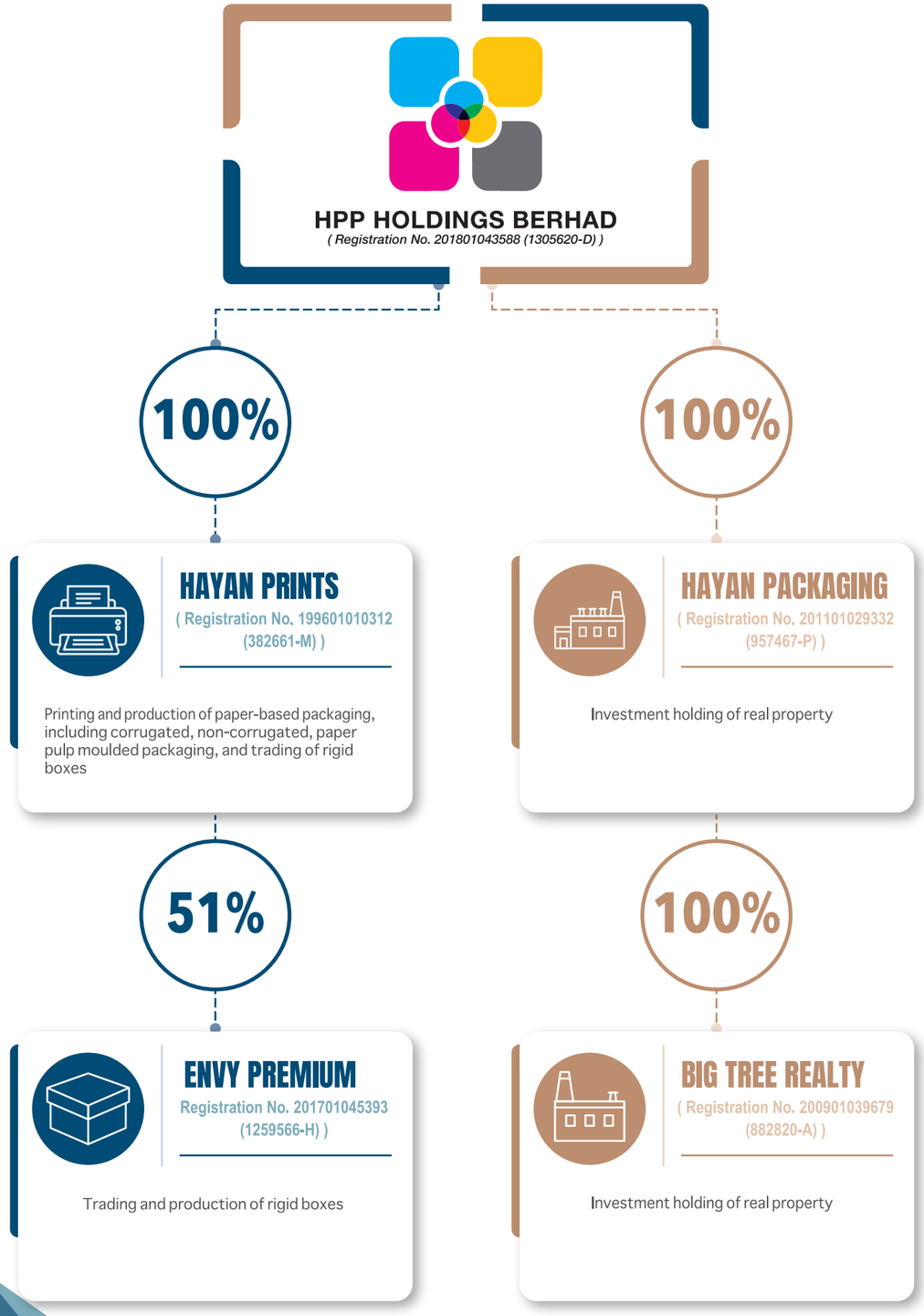
SHARE REGISTRAR
Boardroom Share Registrars Sdn. Bhd.
(Registration No. 199601006647 (378993-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: +603-7849 4700
Fax: +603-7890 4670
Email: bsr.helpdesk@boardroomlimited.com

AUDITORS
BDO PLT
(201906000013 (LLP0018825-LCA) & AF0206)
Chartered Accountants
Level 8, BDO @ Menara CenTaRa,
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: +603-2616 2888
Fax: +603-2616 2970

SOLICITORS
A.B. Ng & Associates
No. 10 & 12, Jalan Melaka Raya 28
75000 Melaka

STOCK EXCHANGE LISTING
ACE Market of
Bursa Malaysia Securities Berhad
Stock Name: HPPHB
Stock Code: 0228

CORPORATE STRUCTURE



DIRECTORS' PROFILE

BOARD OF DIRECTOR

CHONG SEE LING
Independent Non-Executive Director

PHILIP GOH TECK SIANG
Independent Non-Executive Director

KOK HON SENG
Executive Director / Group Managing Director

LAU TEE TEE @ LAU KIM WAH
Non-Independent Non-Executive Chairman

TENG TIAN HEE
Executive Director

FONG WENG MENG
Non-Independent Non-Executive Director

DATUK LEE CHONG LENG
Independent Non-Executive Director



STRONG LEADERSHIP. CLEAR VISION.SUSTAINABLE GROWTH.



LAU TEE TEE @ LAU KIM WAH
AGE : 77
MALE
MALAYSIAN
Date of Appointment:
29 November 2018

DIRECTORS' PROFILE

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Working Experience

Mr. Lau has 38 years of experience in business administration which involves overseeing business operations, finance, sales and marketing.

In 1992, he co-founded Gardenic (M) Sdn. Bhd., a company that was involved in the manufacturing and sales of agrochemicals and fertilisers. He assumed his role as the Managing Director and was responsible for business development and overseeing the day-to-day operations of the company.

In 1996, he joined Hayan Prints as a Director in a non-executive capacity. In January 1998, he joined Cadeon Marketing Sdn. Bhd., a company that was involved in the sales of consumer products through catalogues. He was a director and was responsible for business development, procurement and sourcing of products as well as overseeing the administrative functions of the company, such as human resource and finance functions.

Academic And Professional Qualifications

Mr. Lau completed his secondary education at SMK Gajah Berang, Melaka.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Mr. Lau is the spouse to Madam Chong Fea Chin, a substantial shareholder of our Company.

He is a Director and major shareholder of Aurora Meadow Sdn. Bhd., a major shareholder of our Company.

Board Committee Membership

Nil.

DIRECTORS' PROFILE

EXECUTIVE DIRECTOR / GROUP MANAGING DIRECTOR



KOK HON SENG

AGE : 69
MALE
MALAYSIAN
Date of Appointment:
29 November 2018

Working Experience

Mr. Kok has 36 years of experience in the packaging printing industry with knowledge in full colour offset printing technology and printing processes involving pre-press, press and post-press.

In 1990, he co-founded a printing company. He assumed his role as the Managing Director and was involved in overseeing the business operation of the company.

In 1996, he incorporated Hayan Prints and assumed his role as the Managing Director. Under his leadership over the years, our Group has successfully served the consumer electrical and electronics ("**E&E**"), pharmaceutical, sheath contraceptive, food and beverage and non-electrical household products industries.

In 1999, he spearheaded our Group's overseas sales and marketing activities which have led us to secure our first packaging printing order from a Singaporean food manufacturing company, and subsequently secured more packaging printing orders from other overseas markets.

Academic And Professional Qualifications

Mr. Kok completed his primary education at SJK (C) Chong Eng, Johor.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Mr. Kok is the spouse to the late Madam Ng Soh Hoon, a substantial shareholder of our Company and the former Executive Director / Procurement Director of our Group during the financial year ended 31 May 2026.

He is a Director and major shareholder of Aurora Meadow Sdn. Bhd., a major shareholder of our Company.

Board Committee Membership

Nil.

DIRECTORS' PROFILE

INDEPENDENT NON-EXECUTIVE DIRECTOR



PHILIP GOH TECK SIANG

AGE : 66
MALE
MALAYSIAN
Date of Appointment:
18 November 2019

Working Experience

Mr. Philip has more than 36 years of experience in strategic business planning and execution, business transformation and turnaround management, mergers and acquisition and financial management in Malaysia as well as overseas.

In 1991, he joined PT. Dwi Satrya Utama, Indonesia as the Group Management Accountant and was promoted to General Manager of Finance in 1993. He was also the Executive Secretary to the Board Executive Committee. He was responsible for the business turnaround management of the Group and the execution of the board's decisions. He received the President Director's Award for Exemplary Leadership; for bringing about a change in work culture, and high impact contribution to the quality and profitability of the business.

From 1997 to 1999, he was the Head of Finance & Corporate Finance of Westport Holdings Sdn. Bhd., which held the port concession for Kelang Multi-Terminal Sdn. Bhd.. From 1998 to 1999, he was also appointed as a Director and the Audit Committee Chairman of Diperdana Holdings Berhad, a subsidiary of Westport Holdings Sdn. Bhd.

In 2001, he joined Alliance Bank Malaysia Berhad as a Senior General Manager of Corporate Planning and Branches Operation. He was appointed as Senior General Manager, Group Support Services and Corporate Planning Head in 2004, and subsequently in 2005 as the Executive Vice President / Group Chief Financial Officer of Alliance Bank Malaysia Berhad and its group of companies.

In 2009, he joined Kaliandra Sejati Foundation, Indonesia as the Chief Executive Officer.

In 2012, he founded Natures Remedies Sdn. Bhd. for the distribution of Japanese enzyme products.

In 2014, he founded Natural Rejuvenation Sdn. Bhd. (now known as Natures Rejuvenation Sdn. Bhd.). He was a shareholder and held the position of a general manager.

Academic And Professional Qualifications

Mr. Philip is a member of the Malaysian Institute of Certified Public Accountants (previously known as the Malaysian Association of Certified Public Accountants) as well as a member of the Chartered Accountant of Malaysian Institute of Accountants.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

Board Committee Membership

Audit and Risk Management Committee – Chairman
Remuneration Committee – Member
Nomination Committee – Member

DIRECTORS' PROFILE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Working Experience

Datuk Lee has more than 20 years of experience in auditing, taxation and corporate matters.

He is the Managing Partner of Lee & Lim PLT (Chartered Accountants), a company principally involved in the provision of audit and assurance services.

He is also the Managing Director of Lee & Lim Tax Consultants Sdn Bhd, a company principally involved in the provision of tax advisory services

Academic And Professional Qualifications

Datuk Lee is a licensed auditor, licensed tax agent and Human Resource Development Corporation ("**HRD Corp**") accredited trainer of Malaysia.

He graduated with Bachelor of Business (Accounting) from Monash University, Australia. He has since obtained his professional qualifications and joined as a member of the following professional bodies:

- Malaysian Institute of Accountants (MIA)
- Certified Practising Accountants of Australia (CPA Australia)
- The Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Tax Institute of Malaysia (CTIM)
- The Institute of Internal Auditors Malaysia
- ASEAN Chartered Professional Accountants Coordinating Committee

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

Board Committee Membership

Nomination Committee – Chairman
Audit and Risk Management Committee – Member
Remuneration Committee – Member



DATUK LEE CHONG LENG
AGE : 44
MALE
MALAYSIAN
Date of Appointment:
18 November 2019



CHONG SEE LING
AGE : 43
FEMALE
MALAYSIAN
Date of Appointment:
09 May 2025

DIRECTORS' PROFILE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Working Experience

Ms. Chong has more than 18 years of experience in various areas of law, in particular corporate and conveyancing law, labour law and civil litigation.

In 2007, she joined Chee Siah Le Kee & Partners, Advocates & Solicitors as a pupil in chambers. In 2008, she was retained by Chee Siah Le Kee after she was called to the Bar as advocate and solicitors. She handled civil litigation matters including debt collection, foreclosure, divorce and labour matters as well as drafting legal opinions and prepared letters of demand and cause papers for court matters. Subsequently, she was appointed as conveyancing lawyer in 2009 where she handled conveyancing transactions, housing development matters and attended housing project launchings in Malaysia and Singapore.

In 2011, she joined Chia & Lee, Advocates & Solicitors and was subsequently made a Partner of the firm. She is currently the head of the corporate and conveyancing department. She is in charge of various corporate transactions such as bridging loans, corporate loans, joint venture agreements, shareholders' agreements alongside with conveyancing transactions including housing projects as well as other real estate matters, in particular sale and purchase of properties, tenancy agreement and post auction matter. She is also mentoring and supervising junior lawyers in the firm.

Academic And Professional Qualifications

Ms. Chong graduated from University of Malaya with a Bachelor of Law (Honours) degree in 2007. In 2008, she was admitted to High Court of Malaya as an advocate and solicitors. She is actively in practice with valid Sijil Annual and Practising Certificate (SAPC). She also earned Executive Certificate in Islamic Finance.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

Board Committee Membership

Remuneration Committee – Chairman
Audit and Risk Management Committee – Member
Nomination Committee – Member

DIRECTORS' PROFILE

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR



FONG WENG MENG
AGE : 62
MALE
MALAYSIAN
Date of Appointment:
04 February 2026

Working Experience

Mr. Fong has more than 35 years of experience in finance, management and corporate planning.

In 1986, he joined Sime Darby Berhad as Cost and Management Accountant. He was subsequently promoted as Finance Manager of Sime Hyundai Wood Industries Sdn. Bhd. in 1990.

In 1992, Mr. Fong joined Hong Leong Group as Finance Manager of Malaysia Pacific Industries Sdn. Bhd.. He was subsequently appointed as General Manager for Guolene Paper Products Sdn. Bhd. in 1996.

In 1999, he joined Genting Sanyen Packaging Sdn. Bhd. as Senior General Manager, where he oversaw business administrative and daily operation for 8 years.

In 2007, Mr. Fong was appointed as Finance Director of SCA Asia Packaging located in Shanghai, China.

In 2009, he joined GS Paperboard & Packaging Sdn. Bhd. as Executive Vice President of the Packaging Division. In 2012, he was re-designated as Executive Vice President in Corporate Planning where he led various projects and operational planning. Subsequently, he was appointed as Chief Financial Officer of GS Paperboard & Packaging Sdn. Bhd. in 2014.

Mr. Fong currently also serves as a director of GSPP Holdings Sdn. Bhd. and its subsidiaries, including HPI Resources Berhad, a public company that was previously listed on Main Market of Bursa Malaysia Securities Berhad and was delisted on 9 September 2011.

Other than HPP Holdings Berhad and HPI Resources Berhad, he does not hold any directorship in public companies or listed corporations.

Academic And Professional Qualifications

Mr. Fong graduated from Monash University with a Bachelor of Economics in 1986. In 2001, he obtained a Postgraduate Diploma in Business Administration from University of Strathclyde, UK.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

Board Committee Membership

Nil.

DIRECTORS' PROFILE

EXECUTIVE DIRECTOR



TENG TIAN HEE
AGE : 68
MALE
MALAYSIAN
Date of Appointment:
04 February 2026

Working Experience

Mr. Teng has more than 35 years of experience in graphic designs, printing and packaging industries as well as business administration and management.

In 1984, he founded Graphart & Designs Sdn. Bhd., which specialised in supplying brochures and leaflets, graphic designs and artwork for packaging boxes as well as printing films and plates for printing companies. He was directly involved in overall management and daily operations of the business.

In 2003, he joined Hayan Prints as a Non-Executive Director and subsequently, resigned in 2011.

In 2021, he was re-appointed as an Executive Director of Hayan Prints, where he contributed his extensive expertise in graphics design, packaging and printing. Leveraging his industry knowledge and experience, he has been actively involved in evaluating the performance and technical specifications of pre-press and printing machines prior to any purchase, as well as providing input on operational and business development matters.

Academic And Professional Qualifications

Mr. Teng completed his secondary education at St. David High School in Melaka.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

Board Committee Membership

Nil.

DIRECTORS' PROFILE

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED CORPORATIONS

Save for Mr. Fong Weng Meng as disclosed, none of our Directors have other directorship in public companies and listed corporations.

CONVICTION FOR OFFENCES

None of our Directors have been convicted of any offences other than traffic offences (if any) within the past 5 years and have no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CONFLICT OF INTEREST

During the financial year under review, our Group has entered into recurrent related party transactions with the party in which the Directors of our Company, namely Mr. Lau Tee Tee @ Lau Kim Wah, Mr. Kok Hon Seng and the late Madam Ng Soh Hoon have direct and / or indirect interest.

BOARD MEETINGS

Please refer to Corporate Governance ("**CG**") Overview Statement on page 71 of this Annual Report for the Directors' meeting attendance records for the financial year under review.



TENG TIANG CHIA
AGE : 49
MALE
MALAYSIAN



LIM SZE MING
AGE : 56
MALE
MALAYSIAN

KEY SENIOR MANAGEMENT'S PROFILE

CHIEF OPERATING OFFICER I

Working Experience

Mr. Teng has 32 years of experience in the printing industry.

He joined our Group as a Production Supervisor in September 1996, where he was responsible for overseeing, planning and organising production activities and maintenance schedules.

In 2010, he assumed the position of Production Manager, where he was responsible for managing and overseeing the planning and operations of all production and maintenance activities to ensure smooth production operations and timely fulfilment of printing orders.

On 27 August 2026, Mr. Teng was promoted to Chief Operating Officer I. He is responsible for driving the operational excellence and continuous improvement initiatives across the Group's production operations, including strategic planning, business development and Environmental, Social, and Governance ("**ESG**") initiatives of our Group.

Academic And Professional Qualifications

Mr. Teng completed his Penilaian Menengah Rendah from Sekolah Menengah Katholik, Melaka.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

CHIEF OPERATING OFFICER II

Working Experience

Mr. Lim brings 20 years of industry expertise, primarily in glove manufacturing, with additional exposure to metal and non-metal recovery operations.

He has held key leadership roles, including Lean Lead and General Manager at a multinational corporation, where he successfully implemented an Operations Excellence Program and contributed to the Medical Global Business Unit's strategic planning. His strategic efforts led to a major reshaping of the Global Medical Operations Footprint and the establishment of the Global Medical Innovation Research Centre at the Melaka plant. Mr. Lim also served as a core member of the Medical Operations Innovation Program, contributing to numerous continuous improvement initiatives within glove manufacturing operations. During his tenure at a precious metal recovery company, he introduced several new industrial processes that enhanced the company's capabilities in precious metal recovery, directly supporting business growth and operational efficiency.

In June 2020, Mr. Lim joined our Group as Chief Operating Officer II, where he oversees the day-to-day administrative and operational functions of the corrugated packaging division. His deep operational insight, combined with a track record of transformational leadership, continues to drive efficiency, innovation, and excellence across our corrugated packaging business.

Academic And Professional Qualifications

Mr. Lim holds a Bachelor of Science in Chemistry and a Master of Science in Industrial and Technology Management from the National University of Malaysia. He is a certified Six Sigma Black Belt from Motorola University. In addition, Mr. Lim is a licensed Competent Person for Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (Physical Chemical Processes).

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

KEY SENIOR MANAGEMENT'S PROFILE

CHIEF FINANCIAL OFFICER

Working Experience

Mr. Mah has 27 years of experience in the field of audit, accounting and taxation.

He joined our Group as an Accountant in October 2009 and was responsible for reviewing our Group's financial results, corporate planning, providing tax advisory and handling our Group's grants related matters.

He was promoted to Chief Financial Officer in August 2019 and is responsible for overseeing our Group's finance function involving financial and tax reporting and planning, loan applications and establishing banking relationships as well as being the liaison person with the relevant authorities in relation to our Group's compliance with Listing Requirements, licenses, permits and approvals related matters. In addition, he is also responsible in monitoring the compliance with the Group's Anti-Bribery and Anti-Corruption Policy and Guidelines, application and renewal of such licenses, permits and approvals as well as overseeing investor relations and information technology functions of our Group.

Academic And Professional Qualifications

Mr. Mah graduated with a Bachelor of Accounting from Universiti Putra Malaysia. He is a member of the Malaysian Institute of Accountants.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

SENIOR MANAGEMENT'S PROFILE

ADMINISTRATION MANAGER

Working Experience

Madam Ng has 39 years of experience in the field of finance and administration.

She joined our Group as an Accounts Clerk in 2001 and was responsible for overseeing accounts and administrative-related tasks.

She assumed the position of Administration Manager in 2005 where she is responsible for leading, implementing and maintaining our administrative procedures and policies as well as handling of payroll and training.

Academic And Professional Qualifications

Madam Ng completed her secondary education at Sekolah Menengah Notre Dame Convent. She continued her education and was awarded a pass in Accounting – Third Level by the London Chamber of Commerce and Industry Examination Board.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Madam Ng is the sister to the late Madam Ng Soh Hoon, a substantial shareholder and former Executive Director / Procurement Director of our Group.

She is the sister-in-law to Mr. Kok Hon Seng, a substantial shareholder and Executive Director / Group Managing Director of our Group.



MAH CHEN WAH
AGE : 51
MALE
MALAYSIAN



KOO PAY KIM
AGE : 48
FEMALE
MALAYSIAN



NG SOH MOY
AGE : 62
FEMALE
MALAYSIAN



LEE KUEI YONG
AGE : 44
FEMALE
MALAYSIAN

SENIOR MANAGEMENT'S PROFILE

HUMAN RESOURCES MANAGER

Working Experience

Madam Koo has 24 years of experience in human resources management, with extensive experience in managing full-spectrum human resources functions within a diversified group business environment.

She joined HPP Holdings Berhad in June 2026 as Human Resources Manager. She is responsible for overseeing the Group's human resources management operations and supporting the Group's workforce and people management

Academic And Professional Qualifications

Madam Koo holds a Bachelor of Economics (Hons.) in Human Resources Economics with a Minor in Psychology from Universiti Malaysia Sabah (UMS).

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

PRE-PRESS MANAGER

Working Experience

Madam Lee has 23 years of experience in the graphic design and pre-press related matters.

She joined our Group as a Graphic Designer in 2007 and was responsible in editing customers' artwork and preparation of samples, which include creating print layout and performing all necessary steps prior to finalisation of the packaging.

She assumed the position of Pre-press Manager in August 2019 where she is responsible for leading and overseeing all pre-press activities. With her knowledge in colour management, she is also responsible in verifying the colour quality of the final printed packaging against customer's certification. Further, she is also responsible in communicating with customer on the packaging design development as part of the pre-press process. She will spearhead our Group's effort in seeking the latest printing technology for our future growth.

Academic And Professional Qualifications

Madam Lee graduated with a Diploma in Mass Communication (Graphic Design) from Tunku Abdul Rahman College. She obtained the certification for Colour Management Professional Fundamentals from IDEAlliance, a non-profit association in graphic communications industry ("**IDEAlliance**") and certification for Colour Management Professional Offset Printing from IDEAlliance.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

SENIOR MANAGEMENT'S PROFILE

QUALITY CONTROL MANAGER

Working Experience

Ms. Tong has 22 years of experience in the field of Quality Control, Quality Assurance and 10 years of experience in the field of Production and Process Engineering.

She joined our Group as a Quality Control Manager in October 2023.

She oversees the quality control team within the quality assurance and control department that handles QC checks throughout our printing and production process.

In addition, she is also responsible for the development of corrective and preventive measures, involves in the structured and systematic methodology to optimize processes to ensure the quality meets the desired specifications.

Academic And Professional Qualifications

Ms Tong has completed her Sijil Pelajaran Malaysia from SMK Dato' Abdul Rahman Ya'kub, Merlimau, Melaka.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.

QUALITY ASSURANCE MANAGER

Working Experience

Puan Syafiqah has 11 years of experience in the field of quality control and quality assurance.

She joined our Group as a QA Assistant in May 2017 where she assisted in monitoring our Group's ISO documentations, handling of internal audits as well as coordinating external audits and customer audits.

She was promoted to QA Manager in October 2020 where she oversees the QA team within the quality assurance and control department in ensuring that our Group complies with current ISO standards. In addition, she also leads and conducts internal audits, coordinates external audits and customer audits.

Academic And Professional Qualifications

Puan Syafiqah graduated from a Bachelor of Chemical Engineering Technology (Honours) in Process from Universiti Kuala Lumpur.

Family Relationship With Any Directors And / Or Major Shareholders Of Our Company

Nil.



TONG MAY FONG
AGE : 52
FEMALE
MALAYSIAN



NUR SYAFIQAH BINTI HASSAN
AGE : 36
FEMALE
MALAYSIAN

SENIOR MANAGEMENT'S PROFILE

DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED CORPORATIONS

None of the Key Senior Management of HPP Holdings ("**Key Senior Management**") or senior management have any directorship in public companies and listed corporations.

CONVICTION FOR OFFENCES

None of the Key Senior Management or senior management have been convicted of any offences other than traffic offences (if any) within the past 5 years and have no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CONFLICT OF INTEREST

None of the Key Senior Management or senior management have any conflict of interests with our Group.



CHAIRMAN'S Statement

"At the center of our strategy is a three-fold commitment: market-driven growth, scale-powered efficiency, and a manufacturing edge that builds lasting customer value."

Non-Independent
Non-Executive Chairman
LAU TEE TEE @ LAU KIM WAH

Dear Esteemed Shareholders,

On behalf of the Board of Directors of HPP Holdings Berhad ("**HPP Holdings**" or "**Company**") and its subsidiaries ("**Group**"), I am pleased to present our Annual Report for the financial year ended ("**FYE**") 31 May 2026 ("**FYE 2026**").

The FYE 2026 marked a year of improved performance for the Group. Despite the continued geopolitical conflicts, higher U.S. tariffs and slower global economic growth, the Group recorded higher gross profit in FYE 2026 compared with FYE 31 May 2025 ("**FYE 2025**"). This improvement was supported by our continued focus on manufacturing efficiency and higher-value products. By increasing production volumes, improving the utilisation of our production facilities and increasing the contribution of higher-margin products, the Group achieved better economies of scale and improved operational efficiency.

The Group recorded a marginal increase in revenue of 0.89% to RM64.67 million from RM64.10 million in FYE 2025. Despite modest overall revenue growth, the Group achieved a more favourable revenue mix, driven by higher revenue from manufacturing activities which increased during the year, while revenue from trading activities declined. The stronger contribution from manufacturing activities enhanced the Group's operating leverage through better utilisation of production capabilities while also improving cost competitiveness. This improvement in revenue mix and manufacturing performance contributed to the significant increase in gross profit margin from 17.90% to 24.38%. Consequently, profit before taxation increased significantly by 104.97% to RM7.37 million from RM3.60 million in FYE 2025, driven primarily by the improvement in gross profit margin.

The improvement in profitability also strengthened the Group's financial position. Total equity attributable to owners of the Company rose to RM125.02 million, while healthy cash and cash equivalents, net of fixed deposits pledged, stood at RM44.62 million. The Group's liquidity position strengthened significantly, with the current ratio improving to 9.18 times from 6.22 times and below in preceding five years. Together with a low gearing ratio of 0.15 times, this reflects the Group's strong financial capacity to meet its short-term

obligations while retaining flexibility to pursue suitable business opportunities. Net assets per share increased to 32.17 sen from 31.74 sen in FYE 2025, reflecting further strengthening of the Group's net asset position. These improvements were supported by prudent financial and risk management throughout the year.

Taken together, these indicators place the Group in a stronger financial position, providing a solid foundation to navigate uncertainties, support its operations and pursue opportunities for sustainable growth.

During the FYE 2026, the Group established a strategic collaboration with GS Paperboard & Packaging Sdn. Bhd. ("**GSPP**"), which currently holds 9.25% equity interest in the Company. This collaboration marks an important development for the Group and provides an opportunity to strengthen our position in the paper and packaging industry.

Looking forward, as we pursue our strategic goals, we remain focused on the following strategic priorities:

(i) achieving sustainable and profitable growth;
(ii) maintaining a strong liquidity position through prudent cash flow management, stringent credit control, and effective debt management;
(iii) improving production efficiency and cost management;
(iv) expanding our innovative printing and packaging solutions to meet and exceed customer demands, including coating and paper pulp moulded packaging, with a focus on sustainable product development;
(v) diversifying our customer base across various industries to broaden market opportunities and strengthen business resilience;
(vi) upholding responsible business practices and promoting employee wellbeing.

MEETING AND EXCEEDING OUR CUSTOMERS' NEEDS AND EXPECTATIONS

As a one-stop printing and packaging solution provider, meeting and exceeding our customers' needs and expectations remains a key priority for the Group. We continue to strengthen our capabilities through a steadfast focus on quality, innovation and service excellence, enabling us to deliver comprehensive solutions that meet the evolving needs of our customers. Our continued efforts have once again earned industry recognition, with the Group receiving the **Asian Packaging Excellence Awards 2025 for Offset Packaging Corrugated** on 14 November 2025 at the SHIFT 25 Conference held at Pattaya, Thailand.



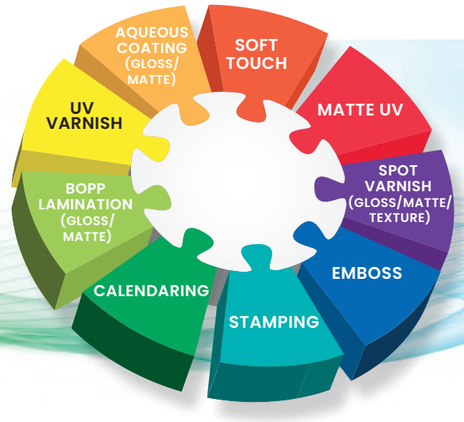
The Group continued to develop its paper pulp moulded packaging range as part of its efforts to offer more sustainable packaging solutions. With the production line fully operational and equipped with both Dry and Wet Hot Press machines, the Group is able to support customer requirements for paper-based packaging while further diversifying its product offerings.

To date, the Group has achieved a total of nine (9) certifications and recognitions, reflecting our commitment to quality, environmental responsibility, food safety, colour management and sustainable forestry practices. These include ISO 9001:2015, ISO 14001:2015, LRQA Certified HACCP, Sony Green Partner, G7 Master Colorspace, ISO 12647-2 Process Standard Offset, Lithographic Process Colour and Spot Colour Methods accredited by SGS & Co PQM Centre of Excellence, Forest Stewardship Council ("**FSC®**") Certification and MyHIJAU Mark scheme by the Malaysian Green Technology and Climate Change Corporation ("**MGTC**").

Our comprehensive printing and packaging capabilities also enable us to offer customers a wide range of finishing and coating options, providing greater flexibility to meet different product, aesthetic and functional requirements. These include:

OUR NINE 9 COATING SOLUTIONS

A Wide Range Of Finishing Options To Enhance Protection, Elevate Aesthetics & Deliver Greater Value To Your Products.





CELEBRATING 30 YEARS OF HPP HOLDINGS BERHAD

The year was also a significant milestone for HPP Holdings as we celebrated our 30th Anniversary. Our 30th Anniversary Annual Dinner, themed "Retro", provided a memorable occasion for us to celebrate three decades of the Group's journey, achievements and growth.

The celebration was also an opportunity to recognise the people who have contributed to HPP Holdings' success over the years. We were particularly pleased to honour our long-serving employees through the Long Service Awards, while the Staff Excellence Awards recognised colleagues who had demonstrated outstanding commitment and performance.

These recognitions are a meaningful reminder that HPP Holdings' journey over the past 30 years has been built not only on business growth and capabilities, but also on the dedication, loyalty and contributions of our people. We are grateful to all those who have been part of our journey including our customers, business partners and shareholders for their continued trust and support.

As we enter our next chapter, we remain committed to building on the foundation established over the past three decades, strengthening our capabilities and creating sustainable long-term value with our customers. With the continued dedication of our people and the support of our stakeholders, we look forward to the opportunities that lie ahead with confidence.

CHAIRMAN'S STATEMENT

CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Sustainability is foundational to our Group's commitment to responsible practices and long-term stakeholder value. During the FYE 2026, we continued to advance initiatives across the areas of environmental stewardship, employee wellbeing and community development.

As part of our environmental efforts, the Group continued to expand its use of renewable energy. Since 2021, we have progressively installed solar panels across our facilities to reduce our reliance on non-renewable energy sources. In FYE 2026, the installation of a solar system at another existing factory increased our total installed capacity from 1,175.53 kWp to 1,900.00 kWp. These solar initiatives are estimated to have reduced carbon dioxide emissions by approximately 1,937,598 kg in FYE 2026, representing an increase of 53.84% compared with the 1,259,514 kg recorded in FYE 2025. In addition to these initiatives, the Group also introduced dedicated recycling bins at our workplaces to encourage greater awareness and participation in recycling among employees.

We remained committed to fostering employee engagement, wellbeing and continuous learning throughout the year. As part of our efforts to support knowledge sharing and industry development, we welcomed eight lecturers from Politeknik Muadzam Shah ("**PMS**"), Pahang, to our factory, providing them with firsthand exposure to our printing technologies and sustainable packaging production processes. Building on this engagement, the Group entered into a Memorandum of Understanding ("**MOU**") with PMS on 30 April 2026 to provide its scholars with access to the latest printing equipment and technical training opportunities.

In FYE 2024, we initiated our SMETA audit journey and went through the follow-up assessment with corrective actions implemented in FYE 2025. As part of our ongoing efforts to uphold high standards of ethical business conduct and workplace practices, the Group will undergo a SMETA 4-Pillar audit in financial year ending 31 May 2027. We will continue to strengthen our compliance with applicable labour laws, regulations and workplace standards, while maintaining a safe, inclusive and respectful working environment for all employees. In line with our responsible recruitment practices, we maintain a zero-recruitment-fee policy to safeguard our foreign employees from potential financial exploitation and promote fair and equitable treatment across our workforce.







Beyond the workplace, we continued to nurture employee engagement and camaraderie through regular activities, including weekly badminton sessions and festive celebrations such as Hari Raya and Chinese New Year gatherings. These initiatives reflect our belief that a motivated, supported and engaged workforce is fundamental to building a resilient organisation and sustaining the Group's long-term success.

CHAIRMAN'S STATEMENT

Our community initiatives focused on supporting social wellbeing and education. Our employees volunteered with Kechara Soup Kitchen to pack food and household essentials for distribution to underserved communities in Melaka. On 11 April 2026, the Group also organised a blood donation drive in collaboration with AEON Mall Bandaraya Melaka, which successfully collected 147 bags of blood. In addition, the Group supported education and community development through educational sponsorship and financial assistance for students, as well as contributions towards school development initiatives.





BLOOD DONATION CAMPAIGN



KECHARA SOUP KITCHEN

Through these initiatives, the Group continues to strengthen its responsible business practices and contribute positively to the environment, our people and the communities in which we operate. Further details of our sustainability initiatives, including our efforts to mitigate environmental impact and support employee safety, wellbeing and community development, are set out in the Sustainability Statement on pages 37 to 70 of this Annual Report.

DIVIDENDS

Our Group's total declared and paid-up dividend for FYE 2026 was 1.00 sen (FYE 2025: 0.50 sen) per ordinary share.





PROSPECT AND OUTLOOK

Looking ahead, the Group remains cautiously optimistic about the prospects of the paper and packaging industry. Demand for paper-based packaging continues to be supported by the growth of e-commerce, manufacturing activities and the increasing preference for recyclable and more sustainable packaging solutions. At the same time, competitive pressures, raw material costs and evolving customer requirements will continue to require disciplined cost management and operational agility.

Against this backdrop, the Group will continue to advance its growth strategy by broadening its customer and product portfolio. The Group will strengthen and deepen our relationships with existing customers while expanding our presence across new market segments and applications, with a focus on capturing new business opportunities and building a more resilient and diversified revenue base.

While uncertainties in the operating environment remain, the significant improvement in profitability achieved during FYE 2026 provides a stronger foundation for the Group to move forward. The Group will remain focused on disciplined cost management, prudent resource allocation and maintaining operational resilience, while pursuing opportunities that support sustainable and profitable growth.

CHAIRMAN'S STATEMENT

To support these objectives, the Group will continue to enhance its processes and selectively adopt appropriate technologies to improve efficiency, quality and responsiveness to customer requirements. This includes the acquisition of a new intermittent offset label printing machine with an integrated die-cutting function, which is expected to enhance production capabilities and operational efficiency. Sustainability will also remain an important consideration across our operations and product offerings, as the Group seeks to deliver solutions that create value for customers while supporting the transition towards more environmentally responsible packaging.

At the center of our strategy is a three-fold commitment: market-driven growth, scale-powered efficiency, and a manufacturing edge that builds lasting customer value. With the continued commitment of our people and the support of our customers, business partners and shareholders, the Board remains confident in the Group's ability to build on the momentum achieved and create sustainable growth and long-term stakeholder value.

ACKNOWLEDGEMENT

This year marked a poignant moment in HPP Holdings' history. The late Madam Ng Soh Hoon, our former Executive Director for Procurement and spouse of our Executive Director and Group Managing Director, Mr Kok Hon Seng, concluded 30 years of dedicated service to the Group on 12 June 2026. She passed away peacefully on 25 June 2026.

Her steadfast leadership and dedication contributed meaningfully to the Group's growth and enduring success. On behalf of the Board and employees, I record our deepest appreciation for her invaluable contributions and extend our heartfelt condolences to Mr Kok Hon Seng and his family. Madam Ng will be deeply missed and fondly remembered by all of us at HPP Holdings.

On behalf of the Board and management, I would also like to express my sincere appreciation to all our employees across the Group for their commitment, dedication and teamwork throughout the year. Your contributions have been instrumental to our progress and are deeply valued.

To my fellow Board members, I extend my profound appreciation for your invaluable guidance, counsel and support over the years since our listing. Your continued commitment and collective wisdom have been important in guiding the Group through its growth journey.

Lastly, I would like to express my sincere appreciation to our valued external stakeholders, including our customers, business partners, advisors, bankers, suppliers and the relevant authorities, for their continued confidence, support and cooperation.

With the continued support of our Board, management, employees and stakeholders, I remain confident that HPP Holdings Berhad is well positioned to build on the progress achieved and reach greater heights in the years ahead.

Thank you.

Lau Tee Tee @ Lau Kim Wah
Non-Independent Non-Executive Chairman



Forever Remembered, Forever in Our Hearts

In Loving Memory of
Madam Ng Soh Hoon
Procurement Director
[1973 – 2026]

It is with profound sadness that the Board of Directors, management team and employees of the Group, mourn the passing of our esteemed Executive Director of Procurement, MADAM NG SOH HOON, who passed away on 25 June 2026.

Throughout her 30 years of dedicated service, Madam Ng shaped our procurement and supply chain framework. Her astute commercial acumen, commitment to sustainable sourcing, and ability to build enduring vendor partnerships were instrumental in safeguarding HPP Holdings' business stability.

Beyond her operational dedication, Madam Ng was a devoted leader who championed diversity and mentored a rising generation of professionals within the organization. Her long-term guidance remains embedded in our supply operations, and we honour her memory by upholding the operational standards she established.
We extend our deepest sympathies to her family.

"Her Guidance And Legacy Leave An Enduring Imprint On Our Group's Future."



In Memoriam

Honouring the Legacy of Madam Ng Soh Hoon

Throughout the years we worked together, Madam Ng was not only a valued colleague but also someone whose kindness, warmth, and generosity touched the lives of many around. She was a remarkable woman whose leadership, kindness, and dedication left a lasting impression on all who had the privilege of working with her. Her wisdom, warmth, and guidance will be deeply missed. Farewell, dear friend and colleague. You will be deeply missed and fondly remembered.

Lau Tee Tee @ Lau Kim Wah
(Non-Independent Non-Executive Chairman)

Madam Ng, or Vivian as she is more fondly known, always had a charming smile when she was greeted. From the first time I met her in 2019, she came across as a warm and straight forward person. As a colleague, she was quietly efficient, and got things done effectively; never complaining. I shall dearly miss her, both as a wonderful colleague, and for her warm and gentle demeanor as a friend.

Philip Goh Teck Siang
(Independent Non-Executive Director)

It is with profound sadness that we remember Madam Ng, Procurement Director of HPP Holdings Berhad. Madam Ng was a dedicated professional and a respected colleague who carried out her responsibilities with integrity, commitment and professionalism. She earned the trust and respect of the Board, management and colleagues alike. Her passing is a great loss to the HPP Holdings Berhad family. Her contributions, dedication and the memories she leaves behind will always be cherished. On behalf of the Board of Directors, the Nomination Committee and the entire HPP Holdings Berhad family, I extend our deepest condolences to Madam Ng's family and loved ones. May Madam Ng rest in peace. She will be deeply missed and fondly remembered.

Datuk Lee Chong Leng
(Independent Non-Executive Director)

Madam Ng was a dedicated and caring Procurement Director who treated everyone with kindness, respect and courtesy. Despite her senior position, she remained humble, approachable and always willing to listen and help. I have always admired her professionalism, sincerity and the respect she showed to everyone around her. She will be deeply missed and fondly remembered.

Chong See Ling
(Independent Non-Executive Director)

Madam Ng was truly a remarkable person — a respected leader, a caring mentor, a supportive colleague and a source of guidance to many.

Mah Chen Wah (Chief Financial Officer)

Madam Ng was not only the most dependable partner at work, but also a warm and caring presence in our team, like family to all of us. Throughout the 29 years we worked side by side, her dedication, kindness, and selfless commitment remain deeply etched in our memories. Her passing has brought profound sadness and a deep sense of loss to the entire team. With this tribute, I would like to express my highest respect and deepest, everlasting remembrance to Madam Ng, who stood by the company and witnessed its growth throughout the years. She will always be remembered and dearly missed.

Teng Tiang Chia (Chief Operation Officer I)

Gentle, optimistic, humble, easy going, conscientious, strong…Madam Ng, these are the beautiful qualities I have seen in you and deeply felt throughout the years. During my 19 years at Hayan Prints, you have not only been a leader whom I deeply respect, but also a very important mentor in my life.Throughout the journey, you taught me not only the knowledge and experience I needed in my work, but also the attitude, sense of responsibility, and perseverance that one should have in life. Perhaps you never knew that every word of encouragement, every gesture of trust, and every patient piece of guidance you gave me quietly shaped me and influenced me, helping me grow step by step into the person I am today. You have always been so humble and unassuming, yet you carry a heart that is both strong and warm. Whatever the situation, you have always been conscientious and responsible; whatever challenges you faced, you remained strong and optimistic. These qualities in you are ones that I will always look up to and continue to learn from throughout my life. I will always remember you and carry you in my heart. With love, always.

Lee Kuei Yong (Pre-Press Manager)

For three decades, she devoted herself to the industry, taking on key responsibilities in procurement and customer management. She strengthened and safeguarded the supply chain, nurtured lasting partnerships with customers, and led her team through challenges and breakthroughs. She also devoted herself to mentoring and developing the next generation of talent. Her integrity was exemplary, and her character was a model for others to follow. Though she has now departed from us, her passing is deeply mourned by the entire department. The legacy she leaves behind will endure in the hearts of those who knew and worked with her. May she rest in peace.

Siew Choon Moi (Customer Service Assistant Manager)

Three decades of dedication, integrity, and devoted service. Her leadership, kindness, and lasting contributions will forever be remembered. Though she has departed, her legacy lives on in the hearts of those she touched. Forever remembered. May she rest in peace.

Tay Cheng Yong (Customer Service Assistant Manager)

Throughout my time working with Madam Ng, she provided me with invaluable guidance, assisted me in completing my tasks, and guided me through various work-related challenges. Her instructions and the methods she taught were always clear and easy to understand, and they greatly helped me carry out my responsibilities more effectively. She was also always willing to help me learn from my mistakes by providing guidance and appropriate solutions. I am truly grateful and happy to have had the opportunity to work and collaborate with her. It was a privilege to have worked alongside such a supportive and inspiring person.

Mohd Helmi Bin Suliman (Production Assistant Manager)

In loving memory of our Executive Director and Procurement Director, Madam Ng Soh Hoon. Her wisdom and passion for a better HPP Holdings inspired us all. We'll carry forward her legacy, striving to make a positive impact. Rest in peace, Madam Ng.

Chew Ah Heng (Production Assistant Manager)

A Journey Of
Leadership & Milestone





2009
Golden Bull Award

A cherished moment in a journey she shared, as the Group received the Golden Bull Award in 2009, recognizing its resilience, growth and excellence.



2021
A Defining Milestone: ACE Market Listing

A proud moment in a milestone she was an integral part of — the successful listing on the ACE Market.



2021 *Joining The Board*

Marking a new chapter of leadership and commitment, her appointment to the Board was followed by many Annual General Meetings and important moments in the Group's corporate story.



2022
Annual General Meeting





2026
30 years Anniversary Annual Dinner

Honored for 30 years of unwavering commitment and dedicated service as Executive Director and Director of Procurement.

Her Journey
Beyond The Boardroom

2004
Company Trip

Mentoring young professionals, and sharing a warm laugh with colleagues.





2014 *Annual Dinner*

2023
Chinese New Year Gathering with Suppliers

A joyful Chinese New Year gathering shared with suppliers and colleagues, capturing the warmth of the relationships and connections she nurtured over the years.





2025
Community Service Beach Cleaning

Remember her generous spirit, her care for the community, and the many smiles she brought to those around her.

01. BUSINESS AND OPERATIONAL OVERVIEW

Established over three decades ago, the Group has grown into a leading "One-Stop Printing and Paper-Based Packaging Solution Provider", with integrated capabilities across pre-press, press and post-press processes. Its listing on the ACE Market of Bursa Malaysia Securities Berhad on 20 January 2021 marked a significant milestone, supporting the Group's expansion and market visibility.

Operating from Melaka, the Group specialises in full-colour offset and flexographic printing, offering a diverse range of packaging products, including corrugated and non-corrugated boxes, brochures, leaflets, labels, paper bags and rigid boxes. To support customers' Environmental, Social and Governance ("**ESG**") objectives, the Group also produces paper pulp moulded packaging, reinforcing its focus on sustainable packaging solutions.

The Group serves diverse end-user industries, including electrical and electronics ("**E&E**"), pharmaceutical, contraceptive products, food and beverage, and non-electrical household products. Its customer-centric approach and ability to provide customised solutions have enabled the Group to build strong and recurring relationships with its customers.

While Malaysia remains the Group's core market, it also serves customers in Singapore, Thailand, the USA and Indonesia, as well as Malaysian-based customers with overseas operations, supporting broader market reach and customer diversification. Throughout FYE 2026, the Group remained focused on strengthening operational efficiency, maintaining product quality and expanding its market presence, while remaining responsive to evolving industry trends and global market conditions.

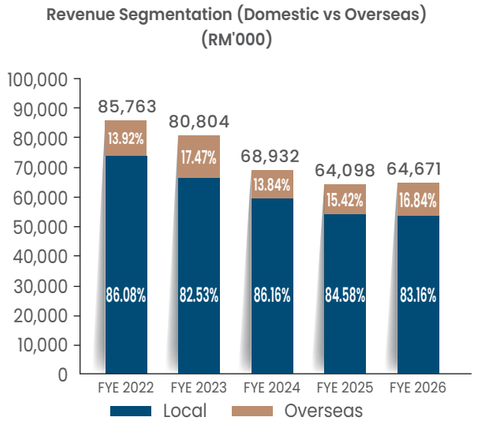
02. FINANCIAL HIGHLIGHTS

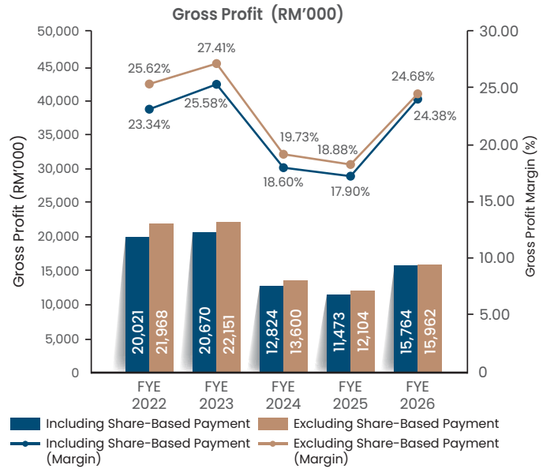
FYE 31 May		2022	2023	2024	2025	2026
Financial Performance						
Revenue	RM'000	85,763	80,804	68,932	64,098	64,671
Gross profit	RM'000	20,021	20,670	12,824	11,473	15,764
Profit before taxation	RM'000	11,514	12,850	5,101	3,595	7,368
Profit after taxation	RM'000	8,508	9,281	3,814	1,912	5,060
Gross profit margin:						
Including the effect of share-based payment	%	23.34	25.58	18.60	17.90	24.38
Excluding the effect of share-based payment	%	25.62	27.41	19.73	18.88	24.68
Profit after tax margin:						
Including the effect of share-based payment	%	9.92	11.49	5.53	2.98	7.82
Excluding the effect of share-based payment	%	13.77	14.61	7.46	4.55	8.13
Financial Position						
Issued share capital	RM'000	90,208	90,208	90,208	90,328	90,328
Total equity attributable to owners of the Company	RM'000	115,487	121,490	122,027	123,364	125,022
Total assets	RM'000	147,207	148,162	158,825	158,654	160,389
Total borrowings (including lease liabilities)	RM'000	11,048	8,667	17,529	14,942	19,220
Current ratio	Times	4.02	5.43	6.16	6.22	9.18
Quick ratio	Times	3.29	4.55	5.40	5.44	8.25
Gearing ratio	Times	0.10	0.07	0.14	0.12	0.15
Net assets per share	Sen	29.73[ii]	31.28[ii]	31.42[ii]	31.74[iii]	32.17[iii]
Basic earnings per share	Sen	2.17	2.40	1.05	0.56	1.38
Dividend in respect of the financial year	RM'000	5,826	5,826	1,942[i]	1,942[i]	3,887[iv]

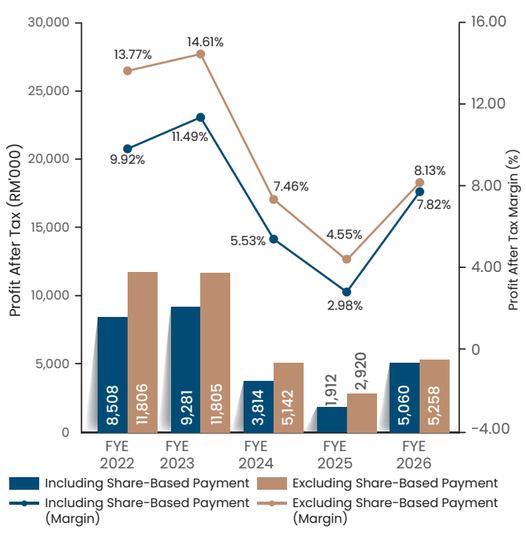
Notes:

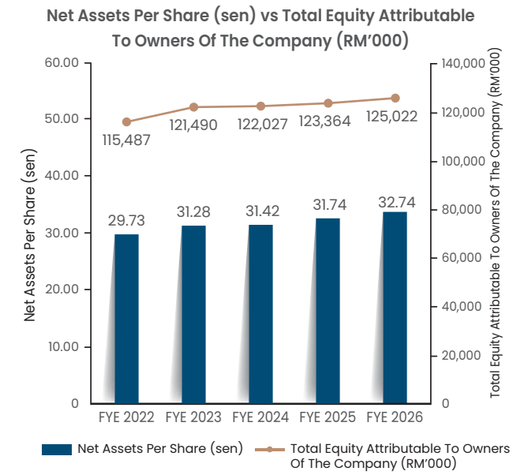
(i) Represent interim dividend FYE 2024 & FYE 2025 of 0.50 sen per share (ii) Based on 388.43 million number of shares

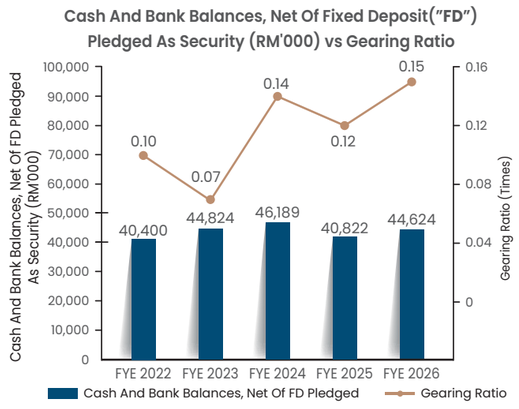
(iii) Based on 388.68 million number of shares (iv) Represent total first and second interim dividend FYE 2026 of 1.00 sen per share

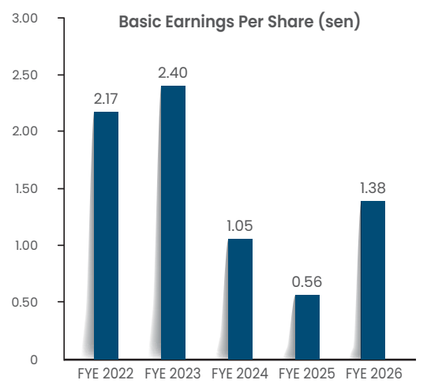












I. Financial Review

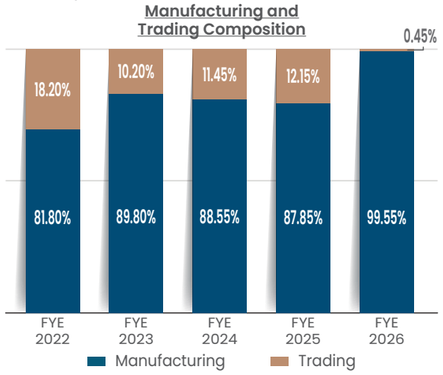
The Group operated in a challenging and evolving business environment during the financial year ended 31 May 2026, amid continued global economic uncertainties, geopolitical developments and changes in the international trade environment. These conditions were accompanied by cautious customer demand, competitive pricing pressures and continued cost uncertainties. Changes in customer requirements and regulatory developments, including those relating to labour, minimum wage and environmental compliance, also required the Group to remain responsive and disciplined in managing its operations. In response, the Group remained focused on maintaining operational efficiency and strengthening its manufacturing activities.

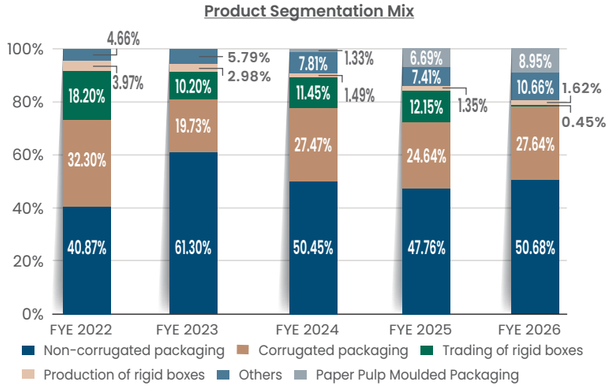
The Group recorded a marginal increase in revenue of 0.89% to RM64.67 million in FYE 2026 from RM64.10 million in FYE 2025. While revenue remained relatively stable, the Group recorded improvement in profitability, with gross profit increasing by 37.41% from RM11.47 million to RM15.76 million. Accordingly, the gross profit margin improved from 17.90% in FYE 2025 to 24.38% in FYE 2026.

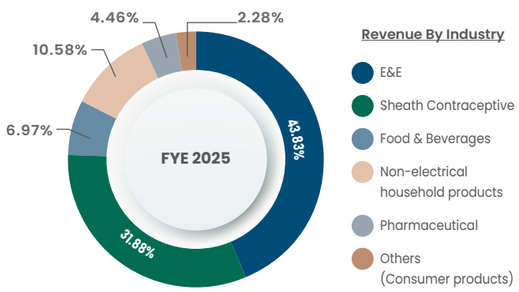
The improvement in gross profit was supported by the Group's continued shift towards manufacturing activities. As illustrated by the Group's manufacturing and trading composition, manufacturing accounted for approximately 99.55% of the Group's revenue composition in FYE 2026, compared with 87.85% in FYE 2025 and 81.80% in FYE 2022, while the contribution from trading activities declined to 0.45% from 12.15% and 18.20%, respectively. This change in product mix reflects the Group's increased focus on manufactured products and its reduced reliance on trading activities.

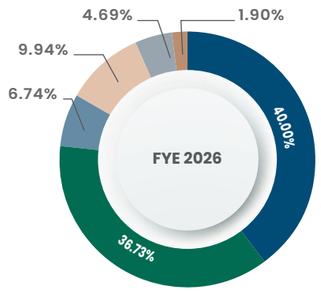
The improvement in gross profit translated into higher earnings. Profit before taxation increased by approximately 104.97% to RM7.37 million from RM3.60 million, while profit after taxation increased by approximately 164.62% to RM5.06 million from RM1.91 million. The corresponding profit after tax margin improved from 2.98% to 7.82%.

Overall, the FYE 2026 results indicate that the Group's improved profitability was driven less by revenue growth but more by a favourable product mix, greater contribution from manufacturing activities and improved operating efficiency.









E&E remained the Group's largest revenue contributor, although its contribution decreased from 43.83% in FYE 2025 to 40.00% in FYE 2026. This represents an estimated decrease of approximately RM2.23 million in E&E. The decline was, however, more than offset by stronger performance from the sheath contraceptive segment, whose contribution increased from 31.88% to 36.73%, representing an estimated revenue increase of approximately RM3.32 million.

The Group's other segments remained relatively stable. Pharmaceutical recorded a modest increase in its revenue contribution from 4.46% to 4.69%, while food & beverages and non-electrical household products recorded marginal declines from 6.97% to 6.74% and from 10.58% to 9.94%, respectively. The revenue contribution from Other Consumer Products also decreased from 2.28% to 1.90%.

Overall, the change in revenue composition reflects the Group's continued diversification across its customer and product segments. The stronger contribution from sheath contraceptive, together with the relatively stable performance of the other segments, helped mitigate the softer performance in E&E and supported the Group in maintaining overall revenue growth amid a challenging operating environment.

II. Financial Position

The Group maintained a sound financial position in FYE 2026. Total equity attributable to owners of the Company increased to RM125.02 million from RM123.36 million in FYE 2025, while total assets increased slightly to RM160.39 million from RM158.65 million. Net assets per share also increased from 31.74 sen to 32.17 sen, reflecting the continued growth in the Group's net asset base.

The Group's liquidity position strengthened during the year. The current ratio improved from 6.22 times in FYE 2025 to 9.18 times in FYE 2026, while the quick ratio increased from 5.44 times to 8.25 times. These ratios indicate that the Group continued to maintain a substantial level of current assets relative to its short-term obligations.

Total borrowings, including lease liabilities, increased from RM14.94 million to RM19.22 million during the year. Despite the increase in borrowings to partially fund its capital expenditure, the Group's gearing ratio remained relatively low at 0.15 times, compared with 0.12 times in FYE 2025. The Group therefore continued to maintain a relatively modest level of financial leverage.

Overall, the Group entered financial year ending 2027 with a strengthened liquidity position, a modest increase in its net asset base and relatively low gearing, providing financial capacity to support its ongoing operations and planned investments while maintaining a prudent approach to capital management.

III. Capital Expenditure

During FYE 2026, the Group continued to invest in key infrastructure and production equipment to support its operational requirements, improve efficiency and strengthen its manufacturing capabilities.

(a) In June 2025, the Group acquired two (2) folding machines and a saddle-stitching machine to strengthen its finishing capabilities and support production requirements. The additional equipment is expected to improve production efficiency, increase capacity and enhance the Group's ability to meet customer requirements in a timely manner.

(b) In October 2025, the Group completed the installation of a solar system with system capacity of 766.29kWP at its existing factory at Jalan TU 50, Taman Tasik Utama, Melaka. This initiative, fully funded through internally generated funds, the investment is expected to support more efficient energy management, help mitigate electricity costs over the longer term and contribute to the Group's sustainability objectives.

03. ANTICIPATED OR KNOWN RISKS AND MITIGATING PLANS AND STRATEGIES

I. Regulatory Requirements

The manufacturing operations of the Group are subject to various laws and regulations imposed by the relevant authorities, including environmental, occupational safety and health, waste management, labour and manufacturing-related requirements. Changes in government policies, regulatory standards and compliance requirements, including sustainability and packaging-related initiatives, may require the manufacturing plants to incur additional capital expenditure, operational costs and process improvements to ensure continued compliance.

To date, there were no material instances of non-compliance that resulted in significant fines, penalties, suspension of operations or regulatory actions against the Group. To mitigate regulatory risks, the Group actively monitors changes in relevant laws and works closely with internal compliance teams, external consultants, and authorities to ensure full adherence to current standards and expectations.

II. Price Fluctuations of Raw Material

Paper is a key raw material used in the Group's paper packaging manufacturing operations. The Group is exposed to fluctuations in paper prices arising from changes in global pulp and paper market conditions, supply and demand dynamics, energy and transportation costs, foreign exchange movements and supply chain disruptions. Although there has been some intermittent relief in raw material prices over the past year, prices of paper and recycled paper remain subject to fluctuations and may experience significant increases from time to time. Such increases may raise the Group's production costs and place pressure on profit margins, particularly where the higher costs cannot be fully or immediately passed on to customers due to competitive pricing conditions or existing customer arrangements.

To manage this risk, the Group has adopted several proactive measures, including bulk purchasing based on commercial consideration closely monitoring raw material costs, optimising production efficiency and minimising material wastage. The Group also maintains strong relationships with its suppliers, 94% of whom are local, to support supply continuity and responsiveness to market conditions. As part of its supplier engagement efforts, the Group has shortened payment terms with selected local suppliers to support more favourable pricing and strengthen supplier relationships. At the same time, overseas sourcing provides additional flexibility to support price competitiveness and diversify the Group's sources of supply.

Where commercially feasible, the Group seeks to manage increases in raw material costs through appropriate pricing adjustments and discussions with customers. However, full recovery of such cost increases may not always be achievable, which may consequently affect the Group's financial performance.

Recovered paper is also a key input for the Group's paper pulp moulded packaging segment. To support reliable supply, the Group works closely with its appointed recovered paper agent and has commenced recycling suitable recovered paper internally for production use As part of its recycling initiatives, the Group has also established an arrangement with customers to purchase back excess boxes and boxes rejected during their packing processes, which are subsequently recycled for use in production. The Group will continue to maintain an optimum level of paper inventory to manage potential supply shortages and sudden price increases, while supporting production continuity and maintaining product quality.

III. Ability To Maintain Quality And Exceed Customers' Expectations

The Malaysian printing and packaging industry continues to face intense competition, particularly from new entrants from China offering competitive pricing. This competitive environment may place pressure on selling prices and profit margins, while increasing the need for the Group to continuously improve product quality, service standards and product offerings to retain existing customers and secure new business.

In response, the Group continues to strengthen its market position by consistently delivering high-quality packaging solutions, reliable service and timely delivery. The Group also actively conducts market analysis to monitor evolving product trends, including the growing demand for eco-friendly and sustainable packaging,

MANAGEMENT DISCUSSION AND ANALYSIS

and remains committed to expanding its product offerings in this area. The Group is registered under the MyHIJAU Mark scheme administered by the Malaysian Green Technology and Climate Change Corporation ("**MGTC**"), supporting its efforts in sustainable product development. In parallel the Group keeps abreast of the latest advancements in printing technologies and market developments to enhance its competitiveness and ensure that its products remain relevant and responsive to evolving customer and industry requirements.

The Group places strong emphasis on quality assurance and maintains stringent quality control standards. The Group adheres to the ISO 12647-2 standard for print quality control and has earned recognition through Graphic Measures International ("**GMI**"), G7 Master Colorspace Qualification and Fogra 51L certifications. These certifications support the Group's commitment to colour accuracy, production consistency and meeting the stringent quality expectations of its customers.

During the year, the Group also established a strategic collaboration with GS Paperboard & Packaging Sdn. Bhd. ("**GSPP**"), which holds a 9.25% interest in HPP Holdings Berhad. As both parties operate in different segments of the paper packaging industry, the collaboration provides opportunities for customer portfolio sharing and cross-referrals, further strengthening the Group's market reach and customer base.

The Group recognises that maintaining competitiveness requires continuous improvement in quality, innovation and customer service. Accordingly, the Group will continue to invest in manufacturing capabilities, product development and process improvements to enhance customer satisfaction and strengthen its ability to compete in an increasingly competitive market.

IV. Human Capital

The Group recognises that a skilled and committed workforce is essential to maintaining operational excellence and supporting long-term growth. However, the industry continues to face a shortage of skilled labour, particularly trained operators, while changes in minimum wage and foreign worker regulations may increase labour costs and operational pressures.

To address these challenges, the Group focuses on attracting, developing and retaining talent through internship programmes, participation in job fairs and collaboration with vocational and educational institutions. During the year, the Group participated in three job fairs, including the MYFutureJobs Career Carnival held in conjunction with National TVET Day 2025, the MYFutureJobs Graduate Career Day and PERKESO career fairs. The Group also hosted eight lecturers from Politeknik Muadzam Shah ("**PMS**") and 48 students from Accelskill Academy for factory visits, and formalised its collaboration with PMS through a Memorandum of Understanding signed on 30 April 2026 to provide students with exposure to printing equipment and technical training. These initiatives support skills development and help build a sustainable talent pipeline.

The Group also continues to upskill existing employees, particularly in advanced machinery and software technologies, supported by structured succession planning and talent development initiatives. Competitive compensation and benefits, including the Employee Share Option Scheme ("**ESOS**"), are provided to support talent retention and workforce stability.

The Group's workforce comprises both local and foreign workers who are integral to its manufacturing operations. The Group remains committed to fair and ethical labour practices, with foreign employees provided with applicable entitlements and accommodation that complies with the Employee Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("**EMSHAAA 1990**"). The Group will undergo a SMETA 4-Pillar audit in FYE 2027 as part of our continuous commitment in maintaining high standards of ethical business practices and responsible employment. We aim to strengthen our compliance with applicable international labour laws, regulations, and workplace standards to ensure safe workplace to all our valuable employees. The Group also adopts a zero-recruitment fee policy for foreign workers, whereby workers are not required to bear recruitment-related fees or costs associated with securing employment with the Group. This approach supports responsible recruitment practices and helps safeguard foreign workers from excessive financial burdens or potential exploitation.

Through these initiatives, the Group aims to strengthen workforce resilience, support operational continuity and maintain the quality and reliability of its products and services.

V. Foreign Currency Risk

The Group is exposed to foreign currency exchange risk arising primarily from export sales denominated in USD, as well as imports of paper raw materials and machinery denominated mainly in USD and RMB. Fluctuations in exchange rates, influenced by global economic conditions, trade developments and monetary policy expectations, may affect the Group's revenue, procurement costs and profit margins.

To manage its foreign currency exposure, the Group adopts natural hedging practices by using foreign currency receipts to settle payments in the corresponding currency, where practicable. The Group does not currently engage in active foreign exchange hedging but maintains prudent cash flow and liquidity management to manage currency volatility. Currency movements and relevant economic developments are monitored regularly to assess their potential impact on revenue and procurement costs.

Where appropriate, the Group seeks to manage foreign exchange exposure through negotiating suitable pricing terms with customers and suppliers and diversifying sourcing options across local and overseas markets. These measures, together with disciplined financial planning and cash flow management, support the Group's ability to manage currency volatility while maintaining cost competitiveness and operational resilience.

04. Our Group's Future Plans And Growth

Building on the progress achieved in FYE 2026, the Group remains positive on the prospects of the paper and packaging industry, while recognising that global economic uncertainties, competitive pressures, raw material price fluctuations and evolving customer requirements will continue to shape the operating environment. In navigating this evolving environment, the Group will remain disciplined in managing costs and resources while pursuing opportunities to strengthen its market position and build greater business resilience.

The Group will continue to broaden its customer through strategic collaboration with GSPP, expand product portfolio, deepen relationships with existing customers and explore new market segments and applications. Greater emphasis will be placed on higher-value and sustainable packaging solutions, supported by continued investment in product development, manufacturing capabilities and appropriate technologies.

The Group continues to explore opportunities in automation, systems integration and advanced printing technologies to enhance manufacturing capabilities, improve print precision and shorten turnaround times. As part of these efforts, the Group has committed to the purchase of a new intermittent offset label printing machine with an integrated die-cutting function as well as a quality inspection machine. Upon commissioning, these machines are expected to improve production efficiency, enhance quality control and responsiveness to customer requirements, support cost management and enable the Group to deliver greater value to customers.

At the same time, the Group will continue to strengthen its workforce through talent acquisition, technical training and employee development, while maintaining prudent management of raw material, foreign currency and other operational risks. Sustainability and resource efficiency will remain important considerations as the Group responds to changing market expectations and develops more environmentally responsible packaging solutions.

Barring unforeseen circumstances, the Group remains cautiously positive on its outlook for FYE 2027 and will remain focused on sustaining a sound financial performance while pursuing opportunities for sustainable and profitable growth.

01. INTRODUCTION

HPP Holdings is committed to embedding sustainability into its business strategy and daily operations. This section explains the scope, reporting period and frameworks applied in presenting the Group's FYE 2026 sustainability performance.

I. Our Sustainability Commitment

HPP Holdings Berhad ("**HPP Holdings**" or "**the Company**") and its subsidiaries ("**the Group**") recognise that sustainability is integral to long-term value creation and business resilience. The Group embeds responsible environmental, social and governance ("**ESG**") practices into its strategy, operations and decision-making processes.

II. Scope And Boundaries

Unless otherwise stated, this Statement primarily covers the Group's active Malaysian operations involved in printing, production, sales and marketing of paper-based packaging, including corrugated, non-corrugated, paper pulp moulded packaging, rigid boxes and other printed products.

III. Reporting Period And Cycle

This Sustainability Statement covers the Group's sustainability activities for the period from 1 June 2025 to 31 May 2026. Sustainability performance is reported annually as part of the Group's Annual Report, with comparative information for FYE 2024 and FYE 2025 included where available to illustrate performance trends.

IV. Reporting Frameworks and References

This Statement is prepared in accordance with applicable sustainability reporting requirements of Bursa Malaysia Securities Berhad and with reference to Bursa Malaysia's Sustainability Reporting Guide. The Group also considers the Global Reporting Initiative ("**GRI**") Sustainability Reporting Standards and the Sustainability Accounting Standards Board ("**SASB**"), where relevant.

Reporting At A Glance

Reporting Period	Primary Geography
1 Jun 2025 – 31 May 2026	Operations Malaysia

02. SUSTAINABILITY GOVERNANCE

The Group's governance structure supports the integration of ESG considerations into business strategy, risk management and day to day operations. The hierarchy below presents the flow of accountability from oversight and review to leadership and implementation.

I. Our Sustainability Commitment



Strategic Oversight
- Oversees and governs the Group's sustainability agenda and strategy.
- Embeds ESG considerations into business strategy and key decisions-making.
- Approves the Group's ESG strategy, targets and disclosures.

Review & Challenge
- Reviews sustainability governance, compliance and reporting practices.
- Evaluates material ESG risks and opportunities.
- Provides observations and recommendations to the Board.

Strategy & Leadership
- Leads the execution of approved sustainability strategies and priorities.
- Approves management targets and proposed disclosures.
- Reviewing and proposes changes to the Audit & Risk Management Committee and Board.

Coordination & Implementation
- Coordinates ESG activities across business functions.
- Monitors progress of ESG initiatives and targets.
- Reviews ESG risks, opportunities and performance.
- Recommends actions to management.

Delivery & Reporting
- Supports implementation of sustainability-related strategies and initiatives.
- Coordinates ESG data collection and monitors performance against targets.
- Oversees ESG management systems across departments and develops reporting plans, timelines and disclosures.

03. STAKEHOLDER ENGAGEMENT

Regular engagement with stakeholders helps the Group understand the economic, environmental and social ("**EES**") impacts of its operations, as well as identify emerging sustainability risks and opportunities. The Group engages with stakeholders who have an interest in, or are affected by, its business activities. Through ongoing interactions and communication channels, the Group gathers feedback and insights that support informed decision-making and continuous improvement in sustainability-related matters.

The Group's engagement with stakeholders generally involves the following activities:

Understanding stakeholders and their concern
The Group identifies key stakeholder groups based on their relationship with, and relevance to, the business. Through various internal and external sources, including customer feedback, employee interactions, industry developments and regulatory requirements, the Group seeks to understand stakeholders' concerns, expectations and sustainability interests.

Ongoing Engagement and Communication
The Group maintains regular communication with stakeholders through appropriate channels, such as meetings, surveys, feedback sessions, emails and other engagement platforms. These interactions facilitate the exchange of information and enable stakeholders to share their views and concerns.

Consideration of Feedback
Stakeholder feedbacks and insights are considered in identifying relevant sustainability matters, risks and opportunities. The information gathered supports business decision-making and helps the Group to enhance its sustainability practices and disclosures where appropriate.

Stakeholder Groups	Engagement Focus & Objectives / Frequency	
Shareholders and Investors Shareholders and investors provide us the necessary resources to execute our strategy and achieve growth. In return, we need to operate responsibly, thus delivering strong and sustainable financial returns.	• Business performance and direction • Prospects and strategies • Return on investment • Business continuity and risk • Liquidity of shares	• Quarterly reporting and regular audit • Financial performance results • Quarterly reports • Annual reports • Annual General Meetings
	Initiative • Diversity of board members with different, backgrounds, experiences, and perspective	
Customers Understand their evolving needs and concerns to cultivate positive long-term relationships with our customers and improve our services and quality.	• Product quality • Lead time • Product prices and values • Rate of return and defects • Procurement strategies	• Quality management system • Competitive pricing • Continuous engagement with customers to improve product quality
	Initiative • Inspection activities for product quality • Close communication with customers to understand their requirements • Set KPIs in dealing with customer complaints to ensure prompt and follow-up to closure • Continuous development of product and product costing	
Suppliers / Subcontractors Our suppliers and subcontractors play an important role in enabling us to consistently deliver quality products to our customers. We are committed to maintaining sustainable relationships with our suppliers and subcontractors based on ethical, transparent and trustworthy business practices.	• Product specifications, delivery requirements, payment terms and quality standards • Business conduct, ethics and integrity • Opportunity to supply and conduct business	• Regular communication on requirements • Product improvement • Feedback on products and services
	Initiative • Provide business support • Provide accurate forecast and lead time given • Source for a backup subcontractors / suppliers	

Stakeholder Groups	Engagement Focus & Objectives / Frequency	
Community Our operations may impact the surrounding communities where we operate in. Local community engagement is important to ensure the social and economic benefits concerned are addressed.	• Financial support and aid • Social responsibility • Environmental awareness and education • Livelihood support • Equal opportunity • Employment opportunity	• Corporate Social Responsibility ("**CSR**") • Job opening
	Initiative • Engage local suppliers and workers • Employment opportunities	
Government and Regulators Relationships with the government and regulators enable the Group to keep abreast with relevant changes of regulations, ensuring continued compliance with local laws and requirements and obtaining the necessary business licenses.	• Regulation, governance and legal requirements and standards • Timely adherence • Transparency and prompt disclosures	• Reporting and communications • Timely renewal and compliance • Monitoring of compliance status (e.g. legal checklist)
	Initiative • Monitor relevant approvals / permits expiry and ensure prompt renewal • Appoint a competent person to be in charge of monitoring applicable regulations	
Employees The Group's growth and success is dependent on a diverse and capable workforce to drive our business objectives and achieve our long-term goals. It is critical for us to ensure the wellbeing of all our employees and support their career growth and advance-ment.	• Career and personal development • Reasonable remuneration, welfare and benefits • Employment diversity and equal opportunity • Working environment • Occupational safety and health • Job performance evaluation / assessment • Ethics and integrity • Work-life balance	• Internal and external training • Staff welfare • Corporate activities and events • Performance management system • Whistleblowing channel
	Initiative • To motivate high-performing employees and improve productivity • Staff activities, staff recreation • Create a positive, safe and healthy working environment • Conduct training, enhancement of skills and job upgrading functions	
Financial Institutions Lenders and financial institutions support our business through the provision of short-term and long-term financing, enabling us to maintain our operations, manage working capital requirements and invest in capital expenditure, including machinery, equipment and other business expansion initiatives.	• Loans and financing business expansion • Enhance working capital	• Loan covenant • Compliance reporting • Loan repayment
	Initiative • Report relevant ESG performances in our annual report • Achieve financial performance and corporate development on a timely manner	

In considering the concerns, expectations and feedback gathered from HPP Holdings' stakeholders through the engagement process, the Group identifies and prioritises the sustainability matters that are most relevant to each stakeholder group. The Board evaluates each stakeholder group based on its level of influence on the achievement of the Group's strategic objectives, as well as the extent to which the Group's business activities and operations may affect the stakeholder group.

With reference to the Sustainability Reporting Guide ("**SRG**") and taking into account the nature and context of the Group's business, the prioritised sustainability matters identified are presented in the following sections.

04. MATERIALITY ASSESSMENT

The Group considers various sustainability matters that may affect its business operations and stakeholders. Information from internal discussions, stakeholder feedback, industry developments and regulatory requirements are taken into account to better understand sustainability-related risks, opportunities and areas of focus.

The Group's approach to identifying and managing relevant sustainability matters generally involves the following activities:

I. Identifying Sustainability Matters

The Group identifies sustainability-related topics that are relevant to its businesses and operations by considering:
- Industry developments and trends;
- Regulatory requirements;
- Operational activities and business environment; and
- Feedback and concerns raised by stakeholders.

II. Managing Relevant Matters

The identified topics are reviewed to determine their relevance to the Group's business operations, stakeholders and long-term objectives.

III. Considering Importance

For sustainability matters considered relevant to the business, the Group monitors ongoing initiatives, management measures and performance indicators, where applicable.

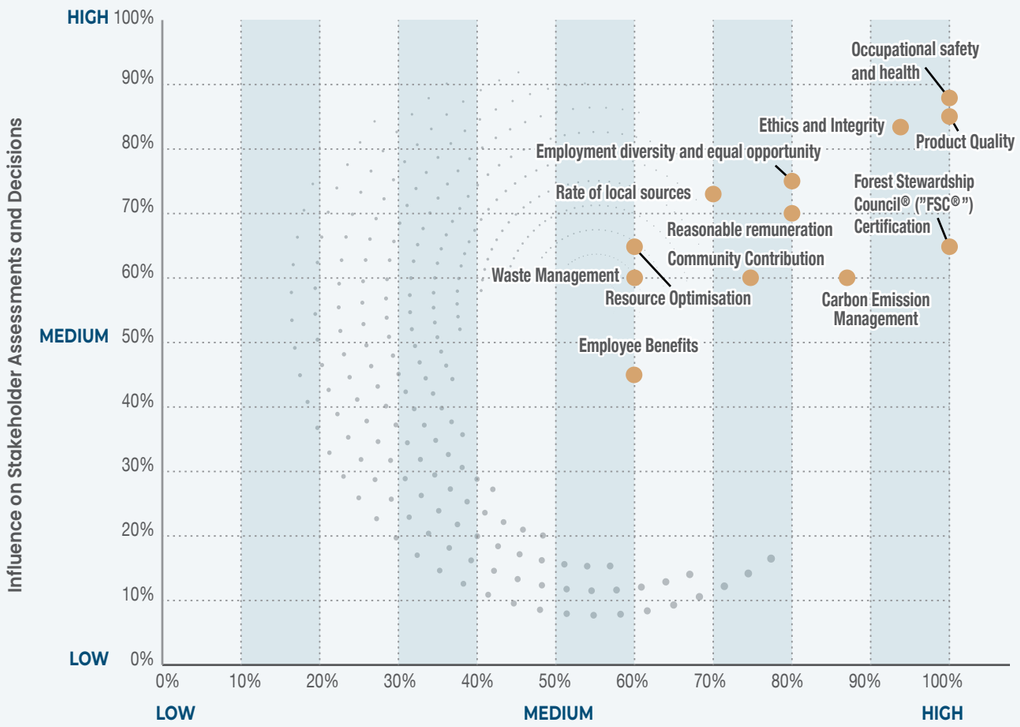
IV. Review and Discussion

Relevant sustainability matters and related information are reviewed internally and considered in decision-making, business planning and sustainability reporting.

The Group has identified key sustainability matters that have a material impact on its sustainability performance or significantly influence stakeholders' assessments and decision-making. Drawing on the outcomes of the stakeholder engagement process, together with a desktop review of the Group's business operations, risks and opportunities, a materiality assessment was conducted to identify and prioritise the sustainability matters most relevant to the Group's long-term objectives.

The Group's material sustainability matters and the related initiatives undertaken are presented in the diagram below.

Materiality Matrix



Sustainability Risk And Opportunity

The material sustainability-related matters are assessed together with the associated key risks and potential opportunities. This assessment considers the relevance and significance of each matter to our business and operations, including its potential implications across our value chain. The identified risks and opportunities are considered in determining the prioritisation of material sustainability-related matters and in formulating our sustainability strategies, objectives and actions.

RISK		
EES Category	**Sustainability Matter**	**Risk Description**
ECONOMIC	Product Quality	Failure to maintain consistent product quality or meet customers specifications may result in higher rejection and rework rates, product returns, delayed deliveries and customer complaints. These outcomes may increase operating costs, weaken customer confidence and adversely affect the Group's revenue and reputation.
	Ethics and Integrity	Failure to uphold high standards of ethics and integrity may expose the Group to bribery, corruption, fraud, conflicts of interest and regulatory non-compliance. Such incidents may result in financial penalties, legal action, loss of business relationships and reputational damage.
ENVIRONMENTAL	Carbon Emission Management	Electricity consumed by production machinery, printing equipment and supporting facilities contributes to the Group's greenhouse gas emissions. Ineffective emissions management may increase exposure to climate-related impact, stakeholder expectations and operating costs.
	Waste Management	Ineffective management of paper offcuts, rejected products, packaging materials and other production waste may result in increased disposal costs, inefficient use of materials and potential environmental or regulatory non-compliance. Inadequate waste management may also adversely affect the Group's operational efficiency and environmental performance.
SOCIAL	Occupational Safety and Health	Workplace accidents, occupational illnesses and unsafe working conditions may result in employee injuries, production interruptions, compensation costs, regulatory penalties and reputational damage. These consequences may adversely affect workforce wellbeing and operational continuity.
	Reasonable Remuneration	Non-competitive remuneration may increase turnover and make it difficult to retain skilled employees.

OPPORTUNITY		
EES Category	**Sustainability Matter**	**Risk Description**
ECONOMIC	Rate of Local Sources	Increasing the engagement of qualified local suppliers may shorten procurement lead times, reduce transportation costs and strengthen supply-chain responsiveness. Local sourcing may also improve supply continuity and contribute to the development of local businesses.
ENVIRONMENTAL	FSC® Certification	Maintaining FSC® certification enables the Group to meet customer demands for responsibly sourced paper-based packaging. This may strengthen customer retention, improve market access and enhance the Group's competitive position in the sustainable packaging market.
	Resource Optimisation	Optimising electricity and water consumption across the Group's operations may improve resource efficiency, reduce utility costs and minimise unnecessary consumption. Effective monitoring and conservation measures may also support the Group's environmental performance and long-term operational efficiency.
SOCIAL	Employment Diversity and Equal Opportunity	Promoting diversity, inclusion and equal employment opportunities may broaden the Group's talent pool, strengthen employee engagement and support improved decision-making. An inclusive workplace may also enhance the Group's ability to attract and retain capable employees.
	Employee Benefits	Providing appropriate employee benefits may enhance employee wellbeing, work satisfaction and staff retention, helping the Group maintain a stable and experienced workforce.
	Community Contribution	Supporting community initiatives may strengthen relationships with local communities, contribute to social wellbeing and reinforce the Group's reputation as a responsible corporate citizen

I. Economic

(A) Product Quality

The Group specialises in the printing and production of paper-based packaging, including corrugated and non-corrugated packaging, paper pulp moulded packaging and rigid boxes. These activities are principally undertaken by the Group's two subsidiaries, Hayan Prints and Envy Premium. Its product portfolio also includes a range of printed materials, such as brochures, leaflets, labels and paper bags.

Our Commitment

Delivering high-quality products that meet customer expectations and build long-term trust.

Rejection Rate

As a responsible supplier, the Group is committed to maintaining high standards of product quality. To support this commitment, comprehensive quality control ("**QC**") procedures and standard operating procedures have been established and implemented across the production process. QC inspections are conducted on a sampling basis at key stages of production to ensure that products meet the required quality standards.

Any defective items identified during production are rejected before delivery to customers. The underlying causes of such defects are subsequently identified, and appropriate corrective actions are implemented and closely monitored by management to enhance operational efficiency, improve productivity and minimise material wastage.

The Rejection Rates By Various Departments And Entities Are Presented Below:

Hayan Prints

Department	FYE 31 May 2024	FYE 31 May 2025	FYE 31 May 2026
Printing	0.17%	0.10%	0.10%
Lamination	0.00%	0.00%	0.00%
Die Cut	0.02%	0.03%	0.01%
Gluing	0.01%	0.01%	0.01%
Subcontractor Varnish	0.01%	0.06%	0.13%*
Paper / Single Face	0.04%	0.01%	0.00%
Average	**0.04%**	**0.03%**	**0.03%**
Paper Pulp	2.16%	1.25%**	1.31%**

** The reject rate in the Subcontractor Varnishing process mainly due to stringent customers' requirement. Varnishing is a secondary process to our product and it is not being done on time and online matter. Our newly acquired machine in first half of FYE 2027 is capable of online printing to achieve better consistency on varnishing process and reduce the reliance on our subcontractor to lessen the reject rate.*

*** All rejected paper pulp quantities were repurposed as raw materials in the forming stage of the paper pulp moulded packaging process. Therefore, the rejected paper pulp has zero negative impact on the environment.*

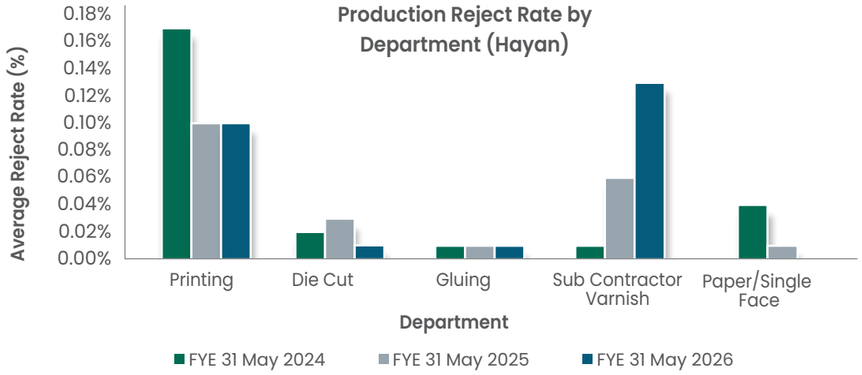
Envy Premium

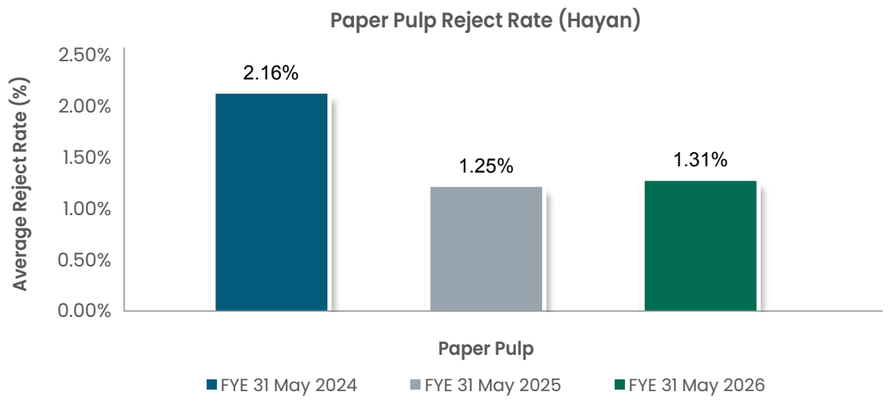
Department	FYE 31 May 2024	FYE 31 May 2025	FYE 31 May 2026
Production	7.48%	4.30%	5.94%

KEY TAKEAWAY	QUALITY FOCUS
Hayan Prints maintains its average printing rejection rate and remained steady at 0.10% for FYE2025 and FYE2026.	Envy Premium's production rejection rate rose from 4.30% to 5.94%, with quality performance to be monitored continuously.

Our paper pulp moulded packaging production line recorded an average rejection rate of 1.31% in FYE2026, as compared to 1.25% in FYE2025. All rejected materials were reutilised as raw materials during the forming stage of production, supporting material efficiency and minimising production waste. Management continues to enhance production planning, process control and quality monitoring to improve operational efficiency and maintain product quality.

Meanwhile, Envy Premium recorded a product rejection rate of 5.94% in FYE2026, as compared to 4.30% in FYE2025. Management continues to strengthen production planning, process controls and quality monitoring to minimise product rejects and maintain consistent product quality.

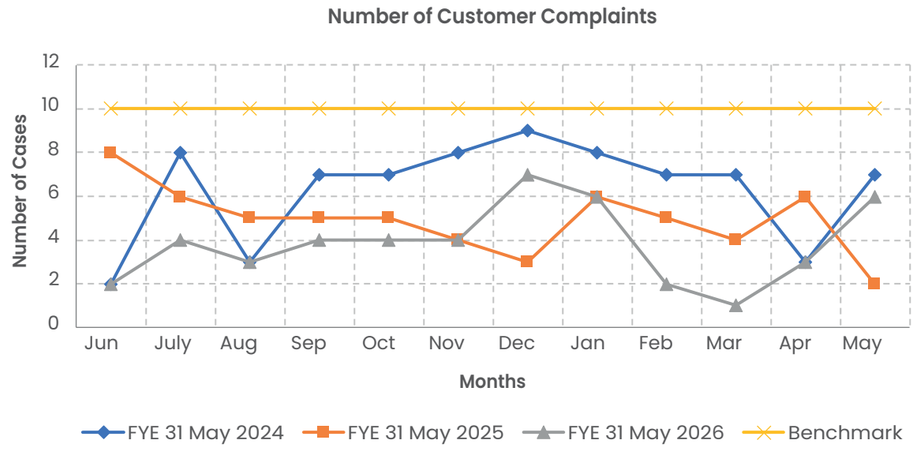




Customer Complaints

Delivering consistent product quality remains a key priority for the Group. To meet customers' expectations, the Group continues to strengthen its production capabilities through advanced printing technology, effective quality controls and continuous process improvements.

The number of customer complaints recorded by HPP Holdings Berhad is presented below.



Summary	FYE 31 May 2024	FYE 31 May 2025	FYE 31 May 2026
Total complaints	76	59	46
Monthly average	6.3	4.9	3.8

The Group has set a benchmark of fewer than 10 customer complaints per month. Throughout FYE 31 May 2026, the number of monthly complaints remained below this benchmark, with an average of approximately 4 cases per month, as compared to approximately 5 cases per month in FYE 31 May 2025.

A total of 46 customer complaints was recorded during FYE 31 May 2026, representing a reduction of 13 cases, or approximately 22.0%, from 59 cases in the preceding financial year. This improvement reflects the Group's continuous efforts to strengthen quality inspections and enhance packaging practices, thereby reducing the likelihood of product damage during transportation. The Group will continue to monitor the performance of its in-house transporters and review its quality control processes to ensure that products are delivered to customers in satisfactory condition.

(B) Rate Of Local Sources

Procurement

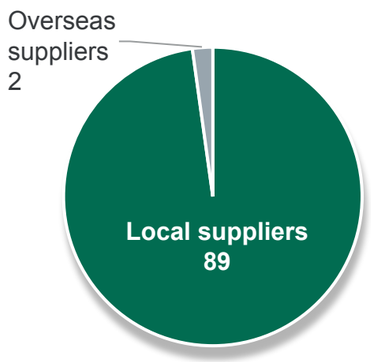
The Group continuously strives to ensure that at least 90% of its suppliers are locally sourced, reflecting a commitment to supporting local businesses and strengthening the domestic supply chain.

In FYE2026, the Group engaged 89 registered local suppliers, as compared to 97 in FYE2025. Local suppliers accounted for 98% and 99% of the Group's total supplier base in FYE2026 and FYE2025, respectively, and 97% and 99% of total purchasing value, respectively. The decrease in the number and proportion of local suppliers was mainly attributable to changes in procurement volumes and sourcing patterns during the reporting period, with cost competitiveness and pricing being key considerations in the Group's procurement decisions.

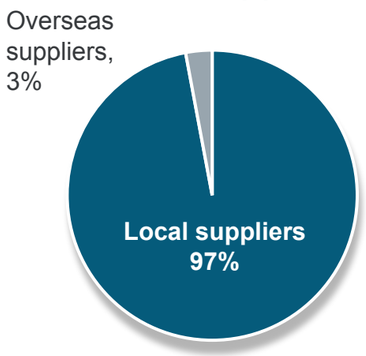
Despite the slight decrease, the high proportion of local sourcing demonstrates the Group's commitment to engaging local suppliers while ensuring access to materials that meet its quality, cost and operational requirements.

FYE	Registered Local Suppliers	Local Suppliers (% of Supplier Base)	Local Purchases (% of Purchase Value)
2024	90	94%	99%
2025	97	99%	99%
2026	89	98%	97%

Number of Suppliers during FYE2026



Percentage of purchase value during FYE2026 (%)



(C) Ethics And Integrity

HPP Holdings maintains a zero-tolerance approach towards fraud, bribery and corruption. In addition to its Code of Conduct and Ethics, the Group is guided by comprehensive policies covering anti-bribery and anti-corruption, anti-money laundering and whistleblowing.

The Group's Anti-Bribery and Anti-Corruption ("**ABAC**") Policy is communicated to employees through various channels, including its corporate website, training sessions and employee induction programmes. During the reporting period, a total of 131 employees completed ABAC training during the reporting period, comprising induction and refresher training programmes. In addition, an internal ABAC training session was conducted on 20 August 2025 to further strengthen employees' awareness of and commitment to the Group's ABAC framework.

While ABAC refresher training was not completed by all employees during the reporting period, the Group has planned to roll out refresher training to all employees in October 2026 as part of its continuous commitment to fostering a strong culture of integrity and ethical business conduct.

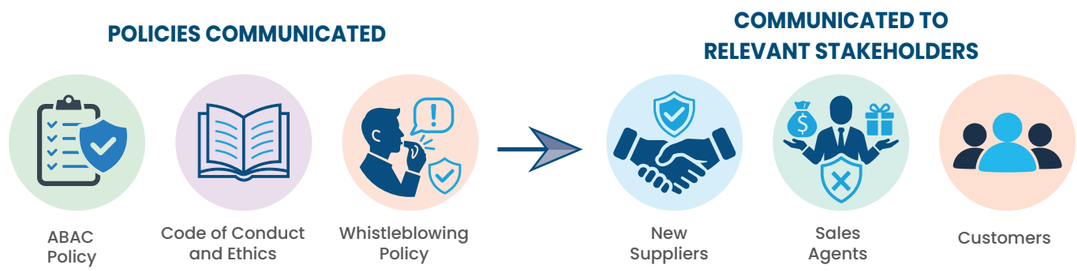
All employees are expected to discharge their duties with professionalism, honesty and integrity, and to refrain from engaging in any form of corrupt, unethical or unlawful conduct. Any allegation or suspicion of misconduct is treated seriously and addressed in accordance with the Group's established policies and procedures. Employees are also required to uphold the Group's ethical standards in carrying out their roles and responsibilities.

Compliance with ABAC Policy	2024	2025	2026
Number of staff disciplined or dismissed due to noncompliance with the ABAC policy	Zero	Zero	Zero
Fines, penalties or settlements from regulatory authorities in relation to bribery or corruption (RM)	Zero	Zero	Zero

In FYE 2026, no incidents of bribery or corruption were reported within the Group. In addition, no employees were subject to any disciplinary action or dismissal for non-compliance with the Group's ABAC Policy or Code of Conduct and Ethics.

The Group seeks to maintain this record by fostering a strong culture of compliance, accountability and ethical conduct. HPP Holdings remains committed to upholding high standards of integrity and strengthening awareness of its governance requirements across the organisation.

During FYE 2026, the Group continued to reinforce awareness of its governance requirements by communicating its key governance policies to relevant stakeholders. The policies communicated and stakeholder groups reached are illustrated as follows.



II. Environment

(A) Waste Management

Environmental stewardship remains an important part of the Group's sustainability approach. The Group seeks to manage waste responsibly by promoting appropriate segregation, recycling and recovery practices, thereby reducing environmental impact and supporting more efficient use of resources.

Waste generated from the Group's printing and production activities is monitored and segregated according to waste type. Recyclable materials, including paper waste, are collected by appointed recyclers, while scheduled waste and used oil are managed through licensed contractors in accordance with applicable regulatory requirements.

The Group will continue to strengthen its waste management practices and identify opportunities to improve resource efficiency across its operations.

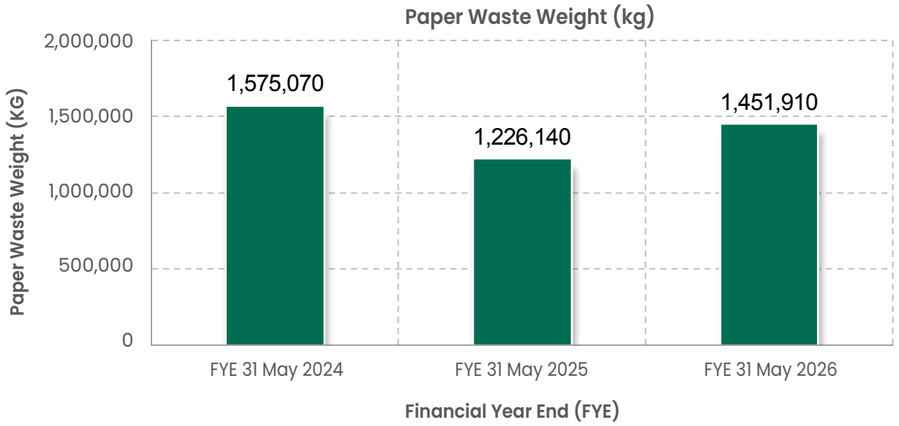
Paper Waste

Paper Waste Performance

Paper offcuts are mainly generated during the Group's pre-press, printing and paper-cutting processes and are collected for recycling by appointed third-party recyclers. The Group also seeks to optimise paper utilisation through production planning and cutting optimisation.

For FYE 31 May 2026, paper waste increased by 18.4% to 1,451,910 kg, as compared to 1,226,140 kg in the preceding financial year. Despite the increase in absolute paper waste, the paper waste-to-production sales ratio remained stable at 0.0225 times, indicating that paper waste generation remained broadly consistent relative to production output.

The Group will continue to monitor paper waste generation and enhance its production planning, material utilisation and recycling practices to minimise avoidable waste and improve resource efficiency.



Performance Indicator	FYE 31 May 2024	FYE 31 May 2025	FYE 31 May 2026
Paper Waste Weight (KG)	1,575,070	1,226,140	1,451,910
Production Sales* (RM)	61,041,940	54,575,595	64,382,355
Paper Waste to Production Sales Ratio (times)	0.0258	0.0225	0.0226

** Total Sales generated from manufacturing operation which exclude trading.*

Scheduled Waste

Responsible Handling And Disposal

In FYE 31 May 2026, the Group generated 109,105 kg of scheduled waste across the four principal waste categories monitored, namely SW 409, SW 410, SW 416, SW 417 and SW 303.

The Group's printing and production activities generate several categories of scheduled waste, including waste ink, contaminated rags, cloth and absorbents, discarded containers, sludges of inks and adhesive or glue waste. These waste streams are classified according to the applicable scheduled waste codes, as set out below.

Classification Of Scheduled Waste

Waste Code	Description
SW 303	Adhesive or glue waste containing organic solvents, excluding solid polymeric materials
SW 409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste
SW 410	Rags, plastics or filters contaminated with scheduled wastes
SW 416	Sludges of inks, paints, pigments, lacquer, dye or varnish
SW 417	Waste inks, paint, pigments, lacquer, dye or vanish

The Group remains committed to managing scheduled waste responsibly and in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, which governs the identification, handling, storage and disposal of scheduled waste.

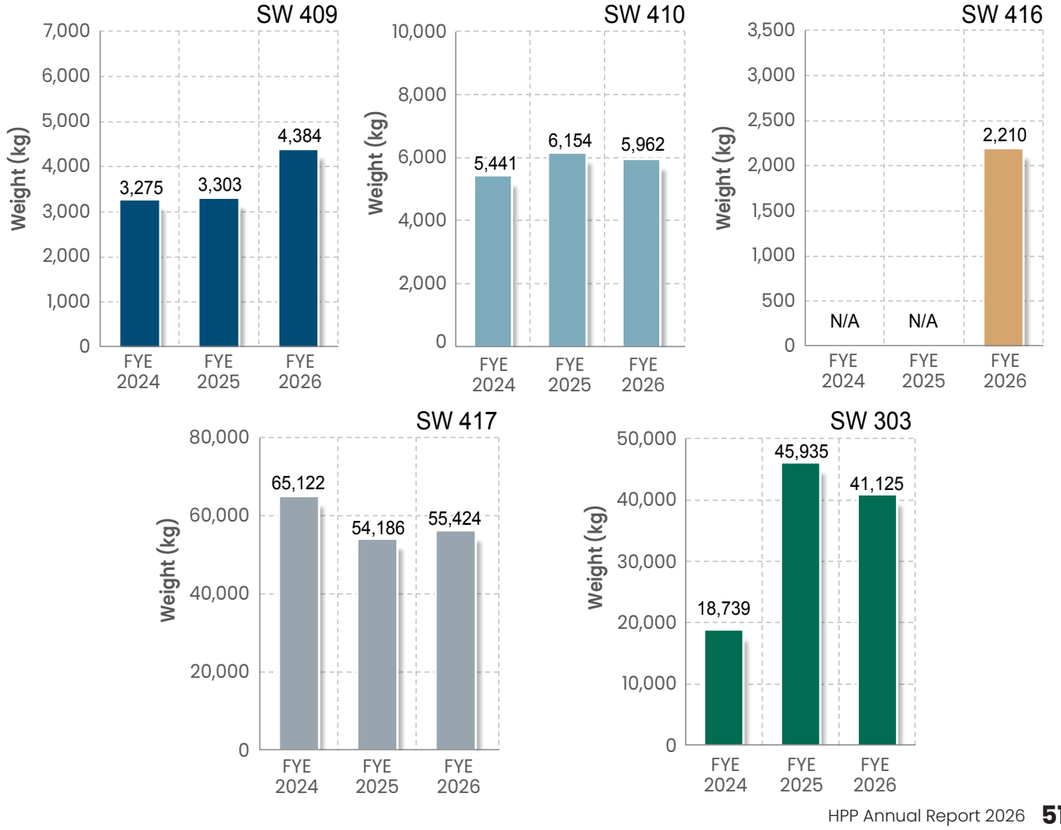
Scheduled Waste Performance

Scheduled waste generation and the corresponding waste-to-production sales ratios for the past three financial years are summarised as follows.

Performance Indicator	SW 409	SW 410	SW 416	SW 417	SW 303
	FYE 31 May 2024 - Total scheduled waste: 92,577 kg				
Weight (KG)	3,275	5,441	N/A	65,122	18,739
Production Sales* (RM)	61,041,940				
Scheduled Waste to Production Sales Ratio (times)	0.00005	0.00009	N/A	0.00107	0.00031
	FYE 31 May 2025 - Total scheduled waste: 109,578 kg				
Weight (KG)	3,303	6,154	N/A	54,186	45,935
Production Sales* (RM)	54,575,595				
Scheduled Waste to Production Sales Ratio (times)	0.00006	0.00011	N/A	0.00100	0.00084
	FYE 31 May 2026 - Total scheduled waste: 109,105 kg				
Weight (KG)	4,384	5,962	2,210	55,424	41,125
Production Sales* (RM)	64,382,355				
Scheduled Waste to Production Sales Ratio (times)	0.00007	0.00009	0.00003	0.00086	0.00064

** Total Sales generated from manufacturing operation which exclude trading.*

N/A- SW416 was not separately identified in FYE2024 and FYE2025 as the relevant waste was previously grouped under SW417. SW416 has been separately reported from FYE2026 following a review of the waste classification.



Performance Commentary

During FYE 31 May 2026, the Group recorded 109,105 kg of scheduled waste, compared with 109,578 kg in FYE 31 May 2025 and 92,577 kg in FYE 31 May 2024. The total scheduled waste generated in FYE 2026 was broadly consistent with FYE 2025, representing a marginal decrease of approximately 0.4%.

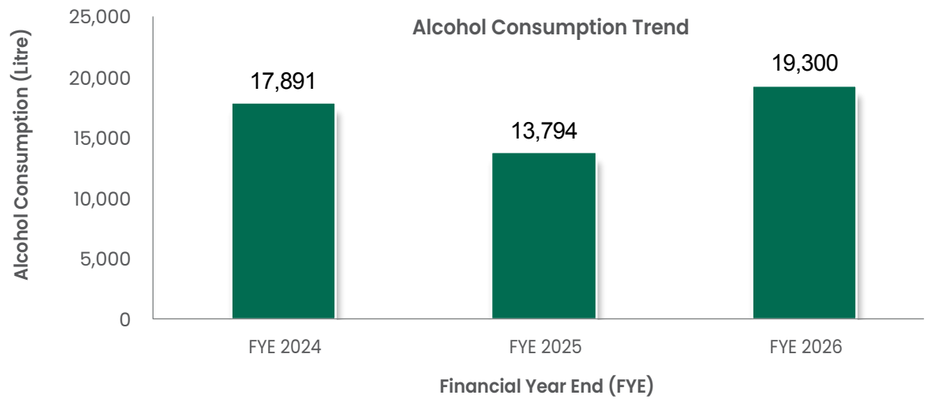
Following a review of the Group's scheduled waste classification during FYE 2026, certain waste previously reported under SW417 was identified as being more appropriately classified under SW416. Accordingly, SW416 has been separately reported from FYE 2026 onwards. As SW416 was not separately identified in prior years and was included under SW417, the year-on-year breakdown of SW416 and SW417 may not be directly comparable.

In FYE 2026, SW417 accounted for 55,424 kg of scheduled waste, followed by SW303 at 41,125 kg, SW410 at 5,962 kg, SW409 at 4,384 kg, and the separately identified SW416 at 2,210 kg.

The Group will continue to strengthen its waste inventory controls, monitoring waste generation by category and operating location, and exploring opportunities to reduce scheduled waste at source. Scheduled waste is stored and disposed of through licensed contractors in accordance with applicable regulatory requirements.

Alcohol

The alcohol consumed in the production process for FYE 31 May 2024 to FYE 31 May 2026 is presented below.



TOTAL	FYE 31 May 2024	FYE 31 May 2025	FYE 31 May 2026
Alcohol Consumption (Litre)	17,891	13,794	19,300
Production Sales* (RM)	61,041,940	54,575,595	64,382,335
Alcohol Consumption to Production Sales Ratio (times)	0.0003	0.0003	0.0003

** Total Sales generated from manufacturing operation which exclude trading.*

The use of alcohol is essential to the Group's production process, as its application enhances the durability of the Group's products. Alcohol consumption remained at a ratio of 0.0003 times in FYE 31 May 2026, consistent with the ratio recorded over the past 2 financial years. Despite the increase in production sales during the year, the stable ratio indicates that alcohol consumption remained broadly consistent relative to production activity. The Group will continue to monitor alcohol usage and promote efficient resource utilisation to support operational efficiency and sustainable resource management.

Diesel and Petrol

Diesel is primarily consumed by the Group's commercial vehicles to support its transportation, delivery and operational activities. The Group monitors diesel consumption as part of its efforts to manage fuel utilisation, operational efficiency and the environmental impact associated with its business activities.

During FYE 31 May 2026, total diesel consumption amounted to 155,552 litres, as compared to 151,382 litres in FYE 31 May 2025, representing a 2.8% year-on-year increase. The increase was primarily attributable to higher sales and delivery activities, particularly the increased volume of products delivered to customers in the northern region of Peninsular Malaysia. The expansion in delivery activities resulted in greater transportation requirements and, consequently, higher diesel consumption during the financial year.

While diesel consumption increased in absolute terms, the rate of increase moderated compared with 5.4% increase recorded from the preceding financial year. This indicates that the growth in diesel consumption remained relatively moderate despite the increase in sales and delivery activities.

The Group will continue to monitor diesel consumption and explore opportunities to improve transportation planning, vehicle utilisation and fuel efficiency. Going forward, the Group seeks to strengthen its monitoring of fuel consumption and identify practical measures to manage diesel usage more efficiently, while balancing the transportation and logistical requirements necessary to support its business operations.

Diesel Consumption Performance

TOTAL	FYE 31 May 2024	FYE 31 May 2025	FYE 31 May 2026
Total Sales (RM)	68,931,663	64,097,709	64,670,822
Diesel (litre)	144,098	151,382	155,552
Diesel (litre) per Total Sales (RM)	0.0021	0.0023	0.0024

(B) Resource Optimisation

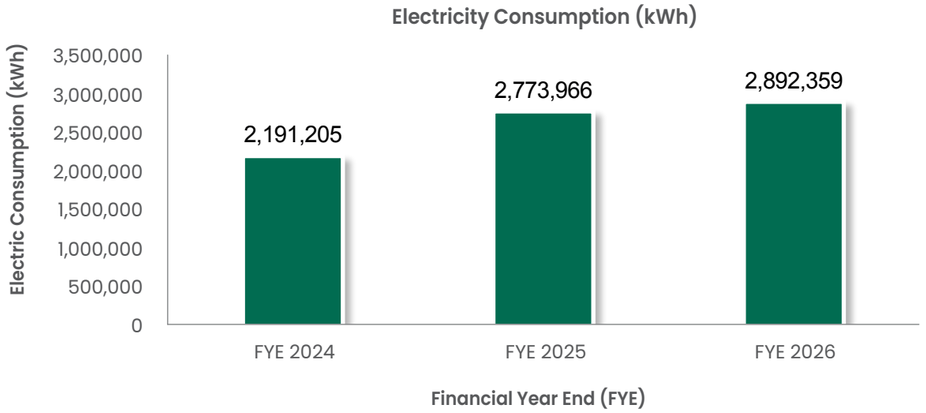
Electricity Consumption

Efficient Energy Use And Lower-Carbon Operations

In FYE 31 May 2026, the Group's electricity consumption increased by 4.3% to 2,892,359 kWh, as compared to 2,773,966 kWh in FYE 31 May 2025.

The increase in electricity consumption during FYE 31 May 2026 was mainly attributable to increased operational activities and higher energy requirements across the Group's operations. Nevertheless, the Group's overall reliance on electricity from conventional sources has been significantly reduced following the installation of additional solar panels in October 2025 in one of the production plants. The solar installation has contributed to the Group's efforts to reduce grid electricity consumption and enhance the use of renewable energy in its operations.

The Group will continue to monitor electricity consumption across its operations and identify opportunities to further improve energy efficiency through responsible energy-use practices, effective machinery maintenance and greater utilisation of renewable energy where practicable.



TOTAL	FYE 2024	FYE 2025	FYE 2026
Production Sales* (RM)	61,041,940	54,575,595	64,382,355
Electricity Consumption (kWh)	2,191,205	2,773,966	2,892,359
Electricity Consumption per Production Sales (kWh/RM)	0.0359	0.0508	0.0449

** Total Sales generated from manufacturing operation which exclude trading.*

Solar Energy Capacity

The Group continues to strengthen its renewable energy capacity during FYE 31 May 2026. Since May 2021, four solar photovoltaic ("**PV**") systems with a combined installed capacity of 1,175.53 kWp have been installed at Hayan Prints' manufacturing facilities.

As disclosed in the previous financial year, the Group commenced the installation of an additional solar PV system at its paper pulp moulded packaging production site. During FYE 31 May 2026, the additional 724.47 kWp solar PV system commenced contributing to the Group's renewable energy generation.

In addition to solar PV systems, the Group also invested in solar-powered lighting across its production plants to support night-time security and patrol activities. The initiative enables the Group to utilise renewable energy for selected lighting requirements while supporting its efforts to improve energy efficiency and reduce reliance on conventional electricity sources.

Following the expansion, the Group's total installed solar PV capacity increased to 1,900.00 kWp across five solar PV systems.

Solar energy generated during FYE 31 May 2026 amounted to approximately 1,943,428 kWh, as compared to 1,263,304 kWh in the preceding financial year, representing an increase of approximately 53.8%. The increase reflects the Group's expanded solar PV capacity and greater utilisation of renewable energy within its operations.

Going forward, the Group will continue to monitor the performance of its solar PV systems and explore practical opportunities to further improve energy efficiency and increase the use of renewable energy.

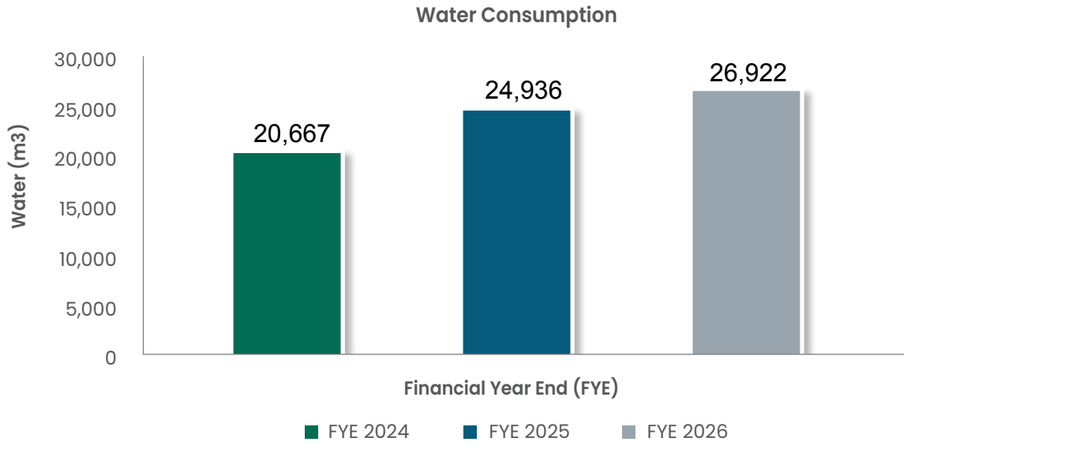
Water Consumption

The Group continues to monitor water consumption across its operations as part of its efforts to promote responsible resource utilisation and improve operational efficiency. Water is used across the operations of Hayan Prints and Envy Premium. Consumption levels vary according to production requirements; operating capacity and the number of employees and workers housed at the Group's facilities.

During FYE 31 May 2026, the Group recorded total water consumption of approximately 26.92 megaliters, as compared to with 24.94 megaliters in FYE 31 May 2025 and 20.67 megaliters in FYE 31 May 2024. This represents an 8.0% year-on-year increase, equivalent to approximately 1.99 megaliters, during FYE 2026.

The increase in water consumption at our paper pulp production plant was primarily attributable to increased plant operations. The higher level of production and associated operational activities resulted in greater water requirements during the financial year. The increase in water consumption is therefore largely reflective of the Group's increased production activities and operational requirements.

The Group will continue to monitor water consumption across its operating locations and promote responsible water-use practices. Where practicable, the Group will identify opportunities to improve water efficiency and minimise unnecessary consumption.



TOTAL	FYE 2024	FYE 2025	FYE 2026
Production Sales* (RM)	61,041,940	54,575,595	64,382,355
Water Consumption (litre)	20,667	24,936	26,922
Water Consumption per Production Sales (litre/RM)	0.0003	0.0005	0.0004

** Total Sales generated from manufacturing operation which exclude trading.*

(C) FSC® Certification

The Forest Stewardship Council® ("**FSC®**") is an internationally recognised certification system that promotes the responsible management of forests and supports the traceability of forest-based materials throughout the supply chain.

We are FSC® certified (FSC® C167431)

As at 31 May 2026, the Group recorded four FSC®-certified suppliers, as compared to three suppliers in the preceding financial year. These suppliers provide various paper and paperboard materials, including art card, box board, simili paper and corrugated fibreboard, with applicable FSC Mix and / or FSC Recycled claims.

During FYE 31 May 2026, the Group also recorded six FSC® customers, as compared to five customers in FYE 31 May 2025. The increase in both FSC®-certified suppliers and customers reflects the Group's continued participation in the responsible sourcing and supply of FSC®-certified paper-based materials and products.

Going forward, the Group will continue to maintain its FSC® Chain of Custody practices, engage with appropriately certified suppliers and support customers seeking responsibly sourced paper-based packaging and printing solutions.

FSC® Suppliers and Customers	FYE 31 May 2024	FYE 31 May 2025	FYE 31 May 2026
Suppliers	3	3	4
Customers	4	5	6

(D) Carbon Emissions

The Group recognises the importance of understanding and managing greenhouse gas ("**GHG**") emissions arising from its operations and value chain. As part of its environmental management efforts, the Group monitors relevant emissions sources to improve visibility over its carbon footprint and support informed decision-making on energy and resource efficiency.

For FYE 2026, the Group's GHG emissions assessment covers Scope 2 emissions from purchased electricity and selected Scope 3 emissions from employee commuting under Category 7, with reference to the Greenhouse Gas Protocol ("**GHG Protocol**"). GHG emissions are reported in tonnes of carbon dioxide equivalent ("**tCO_2e**").

Scope 2 – Purchased Electricity

Indirect GHG emissions associated with electricity purchased and consumed by the Group.

Scope 2 emissions arising from the generation of electricity purchased and consumed across the Group's operations. The Group monitors electricity consumption at Hayan Prints and Envy Premium and calculates the corresponding GHG emissions using the applicable grid electricity emission factor.

Emission Source	FYE 2024 (tCO_2e)	FYE 2025 (tCO_2e)	FYE 2026 (tCO_2e)
Purchased electricity	1,691.49	2,052.73	2,140.35

Note: Scope 2 GHG emissions from purchased electricity were calculated using the Peninsular Malaysia Grid Emission Factor **("GEF")**. The 2024 provisional GEF of 0.740 tCO_2e/MWh, being the latest available factor, was applied.

Source: Energy Commission Malaysia, Grid Emission Factor (GEF) in Malaysia, 2022–2024 (Provisional).

Scope 3 –Employee Commuting (Category 7)

Other indirect GHG emissions arising from business-related travel by employees, including air, rail, road and other modes of transportation, as well as emissions arising from employees travelling between their homes and workplaces.

The Group also measures selected Scope 3 emissions associated with employee commuting. This category captures emissions generated from employees travelling between their homes and the Group's workplaces using various modes of transport.

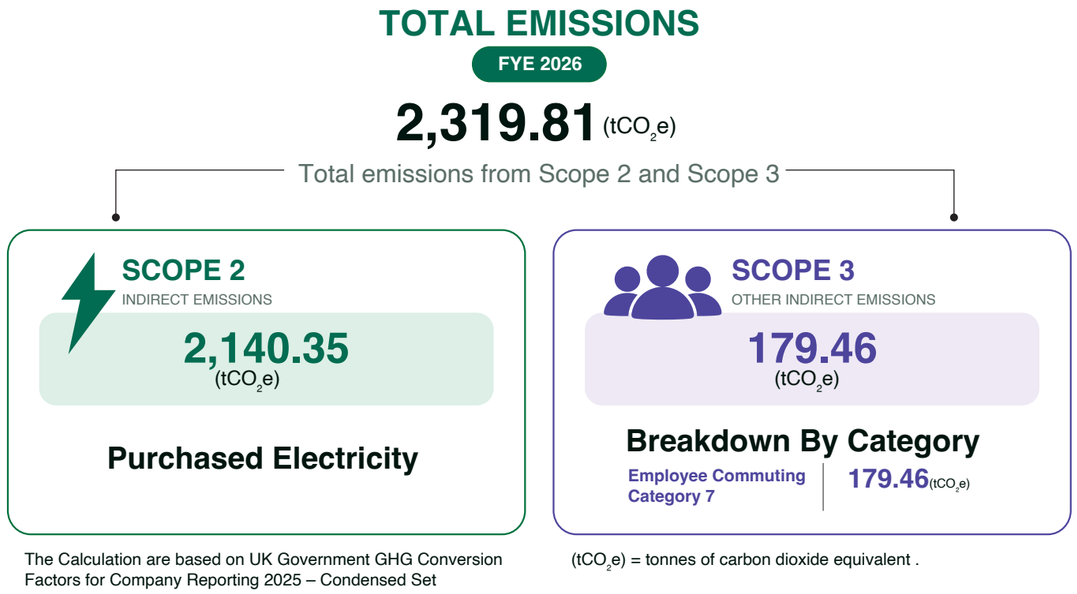
Employee commuting emissions are estimated based on actual commuting or attendance days, one-way commuting distance, return journeys and the applicable emission factor for each mode of transport.

In FYE 2026, the Group recorded Scope 3 employee commuting emissions of approximately 168.45 tCO_2e from Hayan Prints and 11.01 tCO_2e from Envy Premium.

Emission Source for Scope 3 Carbon Emmission	Hayan Prints (tCO_2e)	Envy Premium (tCO_2e)	Group Total (tCO_2e)
Employee commuting	168.45	11.01	179.46

The Group aims to progressively broaden its Scope 3 emissions reporting in subsequent financial years by incorporating Business Travel (Category 6), supported by enhanced data collection and improved availability of relevant activity data.

The following summary highlights our GHG emission performance in FYE 2026.



The Calculation are based on UK Government GHG Conversion Factors for Company Reporting 2025 – Condensed Set

(tCO_2e) = tonnes of carbon dioxide equivalent .

III. SOCIAL

(A) Occupational Safety And Health ("OSH")

OSH TRAINING

OSH remains a critical aspect of employee welfare at HPP Holdings. The Group promotes a safe and healthy working environment, recognising that the wellbeing of employees and related stakeholders is integral to its success. A range of programmes and initiatives have been implemented to prioritise safety across the Group's premises. In addition to workplace safety measures, the Group places strong emphasis on continuous education and training to equip employees with the knowledge and skills required to maintain appropriate safety standards.

TOTAL OSH TRAINING HOURS (FYE 31 MAY 2026)

329
Hours

TOTAL EMPLOYEES TRAINED (FYE 31 MAY 2026)

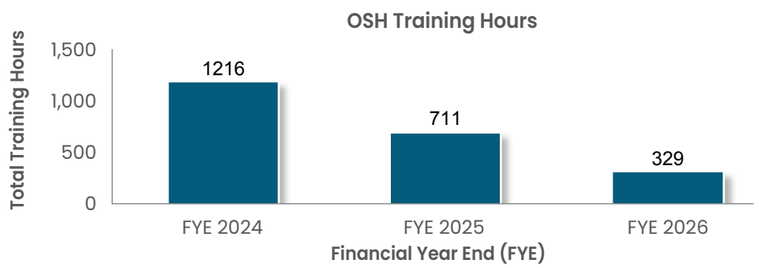
319
Operational Employees

In FYE 2026, a total of 329 OSH training hours were delivered to 319 operational employees, with an average of 1.03 training hours per employee. This represents a decrease when compared to FYE 2025, which recorded 711 training hours for 348 operational employees.

The reduction in total OSH training hours was primarily due to a more targeted approach to training during the year. The Group placed greater emphasis in providing essential OSH training to new joiners as part of their induction and onboarding process, while existing employees, who had previously completed relevant training, were provided with refresher guidance where necessary. In addition, the Group focused on delivering concise and essential training covering key workplace safety requirements, hazards and safe work practices, rather than conducting extensive training programmes for all employees. This resulted in fewer overall training hours while ensuring that the key OSH knowledge and competencies required for employees to perform their duties safely were adequately addressed.

The reported OSH training hours comprised both internal and external training programmes. Formal training is supplemented by practical on-the-job guidance, toolbox briefings and day-to-day coaching by supervisors. These activities reinforce safe work practices and provide employees with task-specific guidance, although certain informal learning activities may not be captured within formal training-hour records.

The Group remains committed to strengthening its preventive safety culture and enhancing employees' awareness of workplace hazards. Training programmes will continue to be tailored according to employees' roles, operational risks and workplace requirements, with a focus on providing relevant and practical OSH knowledge to support a safe and healthy working environment.



The Group remains committed to preventing workplace accidents and maintaining a safe working environment. During FYE 31 May 2026, the Group recorded two work-related injuries, with no work-related fatalities.

Following the incidents, the Group reviewed the relevant work processes and reinforced safety awareness, safe work procedures and appropriate workplace controls to minimise the risk of recurrence.

A summary of total incidents recorded over the past three financial years is presented below:

Total Incidents recorded	FYE 2024	FYE 2025	FYE 2026
Number of Injuries	1	2	2
Number of Fatalities	0	0	0
Lost Time Injury Rate ("**LTIR**")	-*	-*	0.54

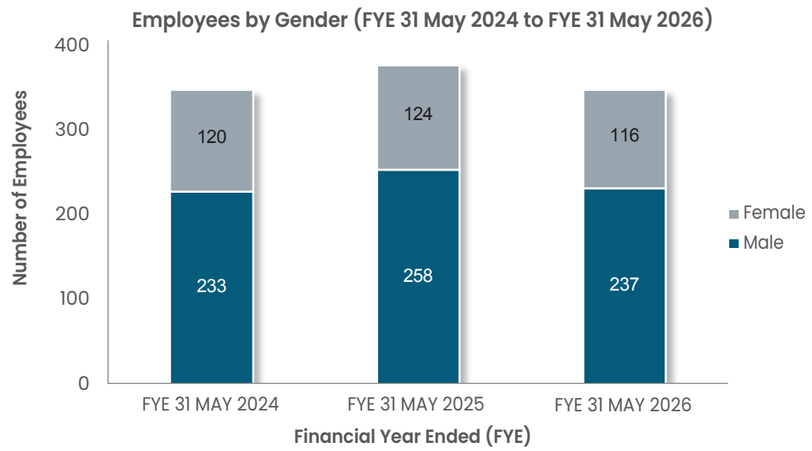
**The computation and reporting of LTIR commenced in FYE 2026. Accordingly, LTIR data for FYE 2024 and FYE 2025 is not available.*

Emergency Response Procedures ("**ERP**") have been established across the Group to ensure employees understand the appropriate actions to take in the event of an accident or emergency, depending on the nature of the incident. The Safety and Health Officer, together with the Safety and Health Committee, oversees the implementation of the ERP and supports the Group's overall emergency preparedness and response.

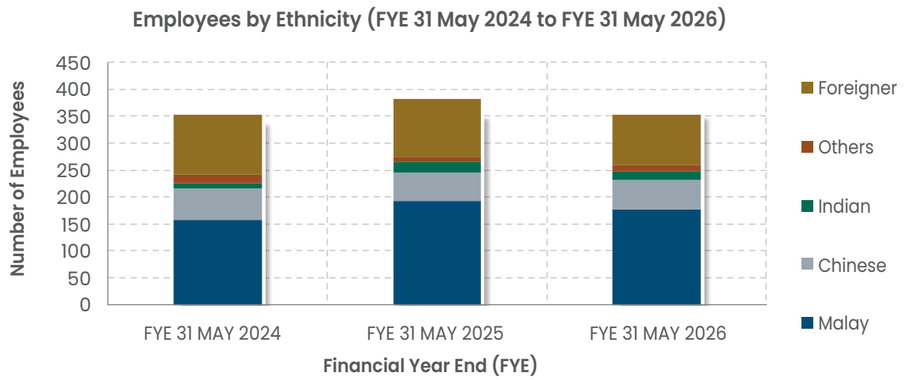
The Group also conducts periodic Chemical Health Risk Assessments ("**CHRA**") and Noise Risk Assessments ("**NRA**") through competent persons registered with the Department of Occupational Safety and Health ("**DOSH**") with a view to identify, assess and manage workplace health and safety risks, and to support compliance with applicable occupational safety and health requirements. Appropriate personal protective equipment ("**PPE**"), including safety boots, earplugs, chemical-resistant gloves, goggles and masks, are provided to employees working in production areas based on their job requirements and identified exposure risks.

To further minimise the risk of workplace accidents and injuries, the Group continues to strengthen its standard operating procedures ("**SOPs**") and safety control measures, including the placement of appropriate hazard signage and the conduct of regular safety briefings. Unnecessary movement between departments during working hours is restricted to minimise exposure to operational hazards. For higher-risk activities, appropriate safety and fall-protection equipment, including safety harnesses and scaffolding where required, is provided to facilitate the safe execution of work and enhance overall workplace safety.

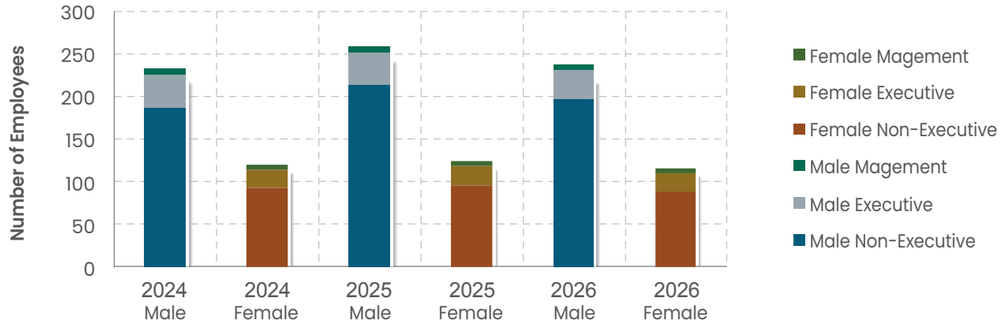
(B) Employment Diversity And Equal Opportunity



As at 31 May 2026, the Group had a total of 353 employees, comprising 237 male and 116 female employees. The total workforce decreased by 7.6% from 382 employees in FYE 31 May 2025. The gender composition in FYE 31 May 2026 was approximately 67% male and 33% female. The Group remains committed to providing equal employment opportunities and maintaining fair employment practices across all levels of the organisation.



In FYE 31 May 2026, Malay employees represented the largest ethnic group with 177 employees, followed by foreign employees with 95, Chinese employees with 55, Indian employees with 15 and employees classified under other ethnic groups at 11. The Group values the different backgrounds and perspectives contributed by its workforce and does not tolerate discrimination in recruitment, remuneration, training, career development or advancement.



Year	2024			2025			2026		
Employee Category	Gender			Gender			Gender		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Management	7	6	13	7	6	13	6	6	12
Executive	39	22	61	37	23	60	35	22	57
Non-executive	187	92	279	214	95	309	196	88	284
Total	233	120	353	258	124	382	237	116	353

In FYE 31 May 2026, the Group employed 145 employees below 30 years old, 175 employees aged between 30 and 49, and 33 employees aged 50 and above. Employees aged between 30 and 49 continued to represent the largest age group. The Group maintained a broad mix of experience and younger talent to support operational continuity, knowledge transfer and long-term workforce development.

During FYE 31 May 2026, the Group employed 12 management personnel, 57 executives and 284 non-executive employees. Non-executive employees represented the largest employee category, reflecting the manpower requirements of the Group's production and operational activities. Employment decisions are made based on merit, competence, experience and organisational needs, without discrimination based on gender, ethnicity, age or other personal characteristics.

(C) Reasonable Remuneration

TThe Group provides employees with fair and competitive remuneration in accordance with applicable labour laws. Entry-level wages are determined consistently for all employees, irrespective of gender, race or nationality.

Employee rewards and career opportunities are based on merit, capability and performance. The Group is committed to promoting equal employment opportunities and ensuring that employees receive equitable remuneration and standard benefits without discrimination on gender, race or nationality.

Number of cases reported	FYE 2024	FYE 2024	FYE 2024
Discrimination and harassment incidents reported	Zero	Zero	Zero
Grievance related incidents reported			
Child labour incidents			
Forced or compulsory labour incidents			

(D) Employee Benefit

Training and Development

The Group recognises that its employees are its most valuable asset and that continuous investment in human capital development is essential to its long-term success. Accordingly, employees are provided with regular internal and external training opportunities to strengthen their knowledge, skills and competencies.

The respective heads of department are responsible for identifying the training needs of their employees throughout the financial year. Training recommendations are submitted to the Human Resources Department for review and consolidation into the Group's master training plan, which is subsequently approved appropriate Key Senior Management personel.

During FYE2026, the Group continued to support employee development through various training and learning initiatives, with a total of 1,763 training hours delivered to 353 employees. This represents a slight decrease from 1,919 training hours recorded in FYE2025, when the Group had 382 employees.

Despite the reduction in total training hours, training hours remained broadly proportionate to the Group's employee headcount, with the average training hours per employee maintained at a comparable level year-on-year. These initiatives continue to support employees in developing the relevant knowledge, skills and competencies required to perform their roles effectively.

Work-Life Balance

The Group is committed to fostering a supportive workplace that enables employees to balance their professional responsibilities with personal and family commitments. As part of this commitment, eligible employees are provided with various forms of paid leave in accordance with the Group's employment policies and applicable requirements.

All employees are entitled to three days of paid marriage leave for their first legal marriage. Female employees are provided with no less than 98 consecutive days of paid maternity leave for each pregnancy, while eligible male employees are entitled to seven days of paid paternity leave for up to five confinements. Employees may also apply for three days of compassionate leave in the event of the passing of an immediate family member.

Beyond formal employee benefits, the Group also recognises the contributions and achievements of its employees through employee engagement and recognition initiatives. On 30 May 2026, the Group hosted its 30th Anniversary Annual Dinner, providing an opportunity for employees to celebrate this milestone together and strengthen workplace camaraderie. The event also included Long Service Awards to recognise employees for their dedication and years of service to the Group as well as Staff Excellence Awards for employees who had demonstrated outstanding commitment and excellence.







SMETA 4-Pillar Audit

The Group is committed to upholding ethical, safe and fair workplace practices and continuously strengthening its labour standards and responsible employment practices. As part of this commitment, the Group has adopted the Sedex Members Ethical Trade Audit ("**SMETA**") process as a means of assessing and improving its practices across key areas of responsible business conduct.

The Group's SMETA journey commenced in FYE 2024 with an initial assessment covering key aspects of ethical employment and workplace practices. In FYE 2025, the Group underwent a follow-up assessment and commenced the implementation of corrective actions arising from the initial assessment.

Building on these efforts, the Group plans to undergo a new SMETA 4-Pillar audit in FYE 2027. The assessment will cover Labour Standards, Health and Safety, Environmental Management and Business Ethics, providing the Group with an opportunity to evaluate the effectiveness of the improvements implemented and identify further areas for enhancement.

The Group remains committed to responsible recruitment practices and maintains a zero recruitment fee policy for foreign workers, with the aim of preventing financial exploitation and promoting fair and transparent recruitment practices. The Group also continues to uphold its commitment to preventing forced labour, child labour and discrimination, while promoting safe and respectful working conditions for all employees.

The Group views SMETA not merely as an audit exercise, but as part of its continuous improvement approach to responsible employment and ethical business practices. The findings from future assessments will be reviewed by Management and, where applicable, addressed through appropriate corrective action plans to further strengthen the Group's practices and controls.

Internship Development Programme

The Group continues to collaborate with universities and technical institutions to provide students with opportunities to gain practical exposure and develop industry-relevant skills, particularly within the printing sector.

During FYE 31 May 2026, a total of 28 students from six educational institutions participated in the Group's internship programme. Through hands-on assignments, practical experience and workplace guidance, the programme enabled interns to enhance their technical knowledge, professional skills and understanding of day-to-day business operations. Interns who demonstrate strong performance, suitable competencies and commitment may also be considered for permanent employment, subject to the Group's manpower requirements and recruitment process.

As part of its efforts to support talent development, Hayan Prints (M) Sdn. Bhd. formalised its intention to collaborate with Politeknik Muadzam Shah on 30 April 2026 to provide industrial training opportunities to students. Under the collaboration, students may undertake industrial training with the Group for up to two semesters, with opportunities to participate in technical training, industry talks and site visits. Students will also receive performance feedback and exposure to the Group's manufacturing operations and workplace practices.

Foreign Workers Hostel

The Group recognises the importance of providing safe, secure and suitable accommodation for its foreign workers. Dormitories located near the Group's factory premises are equipped with essential facilities to support the comfort, health and wellbeing of residents.

The accommodation is maintained with reference to the requirements of the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446), and the Group ensures that the hostels hold the relevant Certificate of Accommodation. CCTV surveillance is also installed within the surrounding hostel areas to enhance security and safeguard the welfare of foreign workers.

To maintain appropriate living standards, the Group conducts monthly spots checks on the hostels to assess their cleanliness, hygiene and overall condition. Any issue identified during these inspections is addressed accordingly to ensure that the accommodation remains clean, safe and conducive for the workers. Through these measures, the Group continues to promote a safe and healthy living environment and uphold the wellbeing of its foreign workers.

(E) Community Contribution

The Group recognises the importance of contributing to the communities in which it operates and continues to support initiatives that promote education and community development.

During FYE 31 May 2026, the Group contributed RM10,000 to Pay Fong Middle School, Malacca in support of its Centennial Development Fund 2.0, which includes the development of its hostel facilities. Through this contribution, the Group seeks to support the enhancement of educational facilities and create a more conducive learning environment for students.

The Group also contributed RM5,000 to Pay Fong Middle School, Malacca in conjunction with the school's anniversary celebration, reflecting its continued support for local educational institutions and their community-building initiatives.

In addition, the Group extended RM5,000 in educational sponsorship to support a student pursuing the ICAEW/CFAB programme at Sunway College. The contribution was intended to assist in the student's programme-related fees and reflects the Group's commitment to supporting access to education and the development of future talent.

Beyond financial contributions, the Group continues to encourage employee participation in community initiatives. On 11 April 2026, three employees participated in the "Hunger Knows No Barriers 2.0 – Food Serving Community" programme organised by Kechara Soup Kitchen in Melaka, supporting efforts to provide food assistance to communities in need.



On the same day, the Group also participated in Blood Donation Campaign 5.0 at AEON Mall Bandaraya Melaka. A total of 14 employees participated in the above-mentioned campaign, which successfully collected 147 bags of blood. The initiative supported efforts to replenish local blood supplies while promoting awareness of the importance of voluntary blood donation.

Collectively, these initiatives amounted to RM20,000 in financial contributions towards education related initiatives while complementing these contributions with employee volunteering and community health activities. Through these efforts, the Group continues to demonstrate its commitment to supporting education, promoting social wellbeing and contributing positively to the communities in which it operates.



CONCLUSION AND LOOKING AHEAD

The Group recognises that sustainability is an ongoing journey that requires continuous improvement, responsible decision-making and active engagement across its operations.

During FYE 31 May 2026, the Group continued to strengthen its sustainability practices across its economic, environmental and social priorities. Progress was made in areas including resource efficiency, renewable energy, responsible sourcing, waste management, workplace safety, employee development and community engagement.

Moving forward, the Group will continue to enhance the integration of sustainability considerations into its business strategies and operational practices. This includes improving the monitoring of key sustainability indicators, strengthening data quality and internal accountability, identifying opportunities to improve environmental performance, and maintaining responsible business practices throughout its value chain.

The Group remains committed to balancing operational growth with environmental stewardship, social responsibility and sound governance. Through continuous improvement and collaboration with its stakeholders, HPP Holdings seeks to create sustainable long-term value for its shareholders, employees, customers, business partners, communities and other stakeholders.

HPP HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-09-23_16:34:39
Ace Market | Group 3 | FYE 31/05/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	—	97.0%	—	Internal
Anti-Corruption - Percentage of employees who have received training on anti-corruption by employee category	Management	Percentage	—	100.0%	—	Internal
Anti-Corruption - Percentage of employees who have received training on anti-corruption by employee category	Executive	Percentage	—	100.0%	—	Internal
Anti-Corruption - Percentage of employees who have received training on anti-corruption by employee category	Non-executive	Percentage	—	22.0%	—	Internal
Anti-Corruption	Percentage of operations assessed for corruption--related risks	Percentage	—	0	—	Internal
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	—	0	—	Internal
Energy Management	Total energy consumption	Megawatt	—	2,892	—	Internal
Water	Total volume of water used	Megalitres	—	26.92	—	Internal
Health and Safety	Number of employees trained on health and safety standards	Number	—	319	—	Internal
Health and Safety	Number of work-related fatalities	Number	—	0	—	Internal
Health and Safety	Number of work-related injuries	Number	—	2	—	Internal
Health and Safety	Lost time incident rate ("LTIR")	Rate	—	0.54	—	Internal

HPP HOLDINGS BERHAD
BMLR Transition Period

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Ace Market | Group 3 | FYE 31/05/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity - Percentage of employees by gender and age group, for each employee category	Gender Group by Employee Category - Management Male	Percentage	—	50.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Gender Group by Employee Category - Management Female	Percentage	—	50.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Gender Group by Employee Category - Executive Male	Percentage	—	61.4%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Gender Group by Employee Category - Executive Female	Percentage	—	38.6%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Gender Group by Employee Category - Non-Executive Male	Percentage	—	69.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Gender Group by Employee Category - Non-Executive Female	Percentage	—	31.0%	—	Internal
Diversity - Percentage of directors by gender	Male	Percentage	—	75.0%	—	Internal
Diversity - Percentage of directors by gender	Female	Percentage	—	25.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Management Below 30	Percentage	—	0.0%	—	Internal

SUSTAINABILITY STATEMENT

HPP HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-09-23_16:34:39
Ace Market | Group 3 | FYE 31/05/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Management Between 30-49	Percentage	—	42.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Management 50 And Above	Percentage	—	58.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Executive Below 30	Percentage	—	18.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Executive Between 30-49	Percentage	—	64.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Executive 50 And Above	Percentage	—	18.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Non-Executive Below 30	Percentage	—	47.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Non-Executive Between 30-49	Percentage	—	47.0%	—	Internal
Diversity - Percentage of employees by gender and age group, for each employee category	Age Group by Employee Category - Non-Executive 50 And Above	Percentage	—	6.0%	—	Internal
Diversity - Percentage of directors by age group	Under 30	Percentage	—	0.0%	—	Internal

HPP HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-09-23_16:34:39
Ace Market | Group 3 | FYE 31/05/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity - Percentage of directors by age group	Between 30-49	Percentage	—	25.0%	—	Internal
Diversity - Percentage of directors by age group	50 and Above	Percentage	—	75.0%	—	Internal
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	—	0	—	Internal
Labour practices and standards	Total hours of training by employee category - Management	Hours	—	267.0	—	Internal
Labour practices and standards	Total hours of training by employee category - Executive	Hours	—	133.0	—	Internal
Labour practices and standards	Total hours of training by employee category - Non-Executive	Hours	—	1363.0	—	Internal
Community/Society	Total amount invested in the community where the target beneficiaries are external to the lister issuer	Unit of currency	—	20,000	—	Internal
Community/Society	Total number of beneficiaries of the investment in communities	Number	—	2	—	Internal
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	—	28.3%	—	Internal
Labour practices and standards	Total number of employee turnover by employee category - Management	Number	—	0	—	Internal
Labour practices and standards	Total number of employee turnover by employee category - Executive	Number	—	12	—	Internal

SUSTAINABILITY STATEMENT

Date & Time: 2026-09-23 16:34:39
Ace Market | Group 3 | FYE 31/05/2026

HPP HOLDINGS BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	Total number of employee turnover by employee category - Non-Executive	Number	–	87	–	Internal
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	–	0	–	Internal

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At HPP Holdings Berhad ("**Company**" or "**HPP Holdings**"), our Board strongly believes that a robust system of corporate governance serves as the cornerstone of our Group's ethical and sustainable business practices. As such, our Board is dedicated to ensure high standards of corporate governance across our Company and its subsidiaries ("**Group**") with the aim of enhancing shareholders' value and driving sustainable financial performance.

Pursuant to Rule 15.25 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), our Board is pleased to present the Corporate Governance ("**CG**") Overview Statement for the financial year ended 31 May 2026 ("**FYE 2026**") that provides a summary on the Company's application of the principles and recommended practices of corporate governance as promulgated by the Malaysian Code on Corporate Governance ("**MCCG**"). This CG Overview Statement should be read in conjunction with our Company's CG Report 2026 ("**CG report**"), which provides a comprehensive view on how the Group has applied the practices as set out in the MCCG and is available on our Group's website at www.hppholdings.com as well as via an announcement on the website of Bursa Securities.

Our Board is pleased to report that in FYE 2026, HPP Holdings has applied all the practices encapsulated in the MCCG, except for Practice 5.2, Practice 5.9, Practice 8.2 and Practice 13.3. In line with the recommended practices of the MCCG, our Company has provided explanations for these departures, disclosed the alternative practices it has adopted and how the alternative practices achieve the intended outcomes.

01. PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Board And Board Committees

Our Board continues to play a prominent role to promote and maintain high standards of CG throughout our Group for continuous sustainability growths and safeguarding the best interests of the stakeholders. Led by the Chairman, our Board recognises its key roles in charting the strategic direction for our Group and has assumed the following key responsibilities in discharging its fiduciary and leadership functions:

- Review and approve business proposals, corporate strategies and key policies for our Group and oversee the Management's performance in executing them to determine whether the business is being properly managed;
- Shaping the culture and values of our Group to ensure that upmost integrity is demonstrated throughout its business operations;
- Review the adequacy and effectiveness of our Group's internal controls and risk management system, and the extent of compliance with applicable laws, regulations, directives, amendments, and guidelines;
- Establish and maintain a clear and effective communication channel with the stakeholders; and
- Promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour.

Our Board is guided by the approved Board Charter which outlines the duties and responsibilities of our Board and defines the matters which specifically require our Board's approval or guidance. The Board Charter is regularly reviewed by the Board to ensure it complies with the legislations and best practices, and remain effective and relevant to the Board's objectives. The Board Charter is made available on our Group's website.

At present, our Board is supported by three (3) Board Committees, consisting the Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("**NC**") and Remuneration Committee ("**RC**"). Each Board Committee is delegated with specific responsibilities to oversee the Group's affairs and authorise to act within their respective Terms of Reference ("**TOR**"). Similar to our Board, each Board Committee is supported with adequate resources and equally granted with access to independent advice as required for the execution of its tasks. Our Board Committees actively partake the quarterly Board Meetings to provide their point of views and recommendations on matters relevant to their designated duties and responsibilities. The minutes of the respective Board Committee meetings are tabled at the quarterly Board meetings to ensure our Board is consistently aware of the decision and deliberation made by the respective Board Committees.

Our Board ensures that the positions of Board Chairman and Group Managing Director ("**MD**") are held by different individuals, with respect to the principle of segregation of duties. The roles and responsibilities of our Board Chairman and Group MD are clearly differentiated between the strategy and policy making process as well as daily management of our Group. This is to ensure clarity of responsibilities and accountability between two (2) individuals such that no one individual has unfettered powers over decision making.

Qualified And Competent Company Secretaries

Our Board is of the view that the current Company Secretaries are suitably qualified to support our Board and Board Committees in ensuring that all governance matters and Board procedures are followed and that applicable laws and regulations are complied with. The Board was updated by the Company Secretaries on the relevant statutory and regulatory changes from time to time at the Board meetings.

All directors have unrestricted access to the information relevant for the furtherance of their duties and responsibilities as well as to the services and advice of the Company Secretaries. Notice of Board meetings were circulated to our Board Members at least five (5) working days prior to the convening of meetings. The Company Secretaries are also responsible for recording minutes during each Board and Board Committees meetings and ensure such minutes are circulated for review by the Board and Board Committees subsequent to each meeting.

Detailed information on the Directors' attendance at Board Meetings during FYE 2026 is tabulated as follows:

Directors	Designation	Board Meeting
Lau Tee Tee @Lau Kim Wah	Non-Independent Non-Executive Chairman	5/5
Kok Hon Seng	Executive Director / Group Managing Director	5/5
Ng Soh Hoon [(1)]	Executive Director / Procurement Director	3/5
Philip Goh Teck Siang	Independent Non-Executive Director	5/5
Datuk Lee Chong Leng	Independent Non-Executive Director	5/5
Chong See Ling	Independent Non-Executive Director	5/5
Teng Tian Hee [(2)]	Executive Director	1/1
Fong Weng Meng [(2)]	Non-Independent Non-Executive Director	1/1

(1) Resigned on 12 June 2026 *(2) Appointed on 4 February 2026*

All directors have satisfied the minimum 50% attendance requirement in respect of Board meetings under the Listing Requirements. Our Board is confident that our directors are able to discharge their roles and responsibilities as directors in an effective manner with the time commitment devoted by them.

Code Of Conduct And Ethics, Anti-Bribery And Anti-Corruption Policy, Whistleblowing Policy And Conflict Of Interest Policy

Our Group recognises the importance of maintaining high standards of ethics and has adopted the Code of Conduct and Ethics, which outlines the ethical values and standards expected from both directors and employees of our Group whilst discharging their designated duties and responsibilities.

On top of that, an Anti-Bribery and Anti-Corruption Policy has been developed to ensure our Group conducts its business in an ethical manner as well as inculcating good CG practices and accountability in the Group's businesses and operations.

Our Board has established the Whistleblowing Policy to provide a secured and confidential avenue for all stakeholders to make good-faith disclosure and report instances of suspicious behaviour, suspicious transaction or business malpractices without the fear of reprisal.

The Whistleblowing Policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing in the Group. The identity of the whistleblower will be kept confidential, and protection is accorded to the whistleblower against any form of reprisal or retaliation. All reports will be channelled directly to either the ARMC Chairman via dtnuri149@yahoo.com or Board Chairman via laukw@hppholdings.com.

The Board has also adopted a Conflict of Interest Policy which outlines the disclosure obligations of each Director, Key Senior Management and Senior Management of the Group with respect of the conflict of interest, and procedures to be followed when any actual or potential conflict of interest arise to ensure systematic identification, disclosure and management of conflict of interest in an effective and timely manner.

The Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Conflict of Interest Policy are made available on our Group's website.

Governance Of Sustainability

One of key responsibilities of our Board, as outlined in the Board Charter, is to oversee and guide the sustainability management aspects of our Group. This includes reviewing and approving a strategic plan focused on long-term value creation, which encompasses economic, environmental, and social considerations. Our Board regularly assesses these economic, environmental, and social issues to understand the sustainability challenges that could affect our Group's operations and to ensure our strategies effectively promote sustainability.

Our Board has made sustainability a core component of our Group's corporate culture and decision-making process, aiming for transparent and ethical business practices that respect the community, its employees, the environment, its shareholders, and the other stakeholders. A detailed account of our Group's stakeholder groups, engagement practices, and sustainability targets can be found in the Sustainability Statement in this Annual Report.

II. Board Composition

Board Composition

During the financial year under review, our Board comprised eight (8) members, which includes a Non-Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors ("**INEDs**"), three (3) Executive Directors and one (1) Non-Independent Non-Executive Director ("**NINED**") with a mix of skill sets in the areas of legal, corporate management, tax and other corporate matters. The current Board composition satisfies the requirements as stipulated under Rule 15.02(1) of the Listing Requirements, which mandate that at least two (2) directors or one-third of the Board, whichever is higher, must be independent.

On 4 February 2026, Mr Teng Tian Hee was appointed as an Executive Director of the Company and Mr Fong Weng Meng was appointed as a NINED of the Company. The appointment of Mr Teng Tian Hee was by virtue of his key executive position within the Group whilst the appointment of Mr Fong Weng Meng was via the nomination of a substantial shareholder.

Subsequent to the financial year end, Madam Ng Soh Hoon resigned from the Board on 12 June 2026.

Our Board believes that the diverse backgrounds and experiences of each board members provide a well-rounded balance of skills, qualifications, knowledge, and expertise, ensuring effective leadership and management of our Group.

The NC comprises exclusively of three (3) INEDs. The NC had conducted three (3) meetings in FYE 2026 and their respective attendance records are tabulated as below:

Directors	Designation	NC Meeting
Datuk Lee Chong Leng	Chairman, INED	3/3
Philip Goh Teck Siang	Member, INED	3/3
Chong See Ling	Member, INED	3/3

The NC is responsible for identifying, evaluating, and recommending qualified candidates for Board membership, as well as assessing each Director's performance on an annual basis. The NC also reviews and recommends to our Board the retiring Directors for re-election at the annual general meeting, taking into account each director's contributions, expertise, skills, knowledge, experience, and the roles they have played on various Board Committees.

During the financial year under review, the following key activities were undertaken by the NC:

- Deliberated on the succession planning for our Key Senior Management.
- Deliberated on the matters concerning key performance indicators for Key Senior Management and human resource within management team.
- Performed an assessment on:
  - Effectiveness of our Board as a whole and Board Committees and the contribution of each Director;
  - The mix of skills, knowledge, expertise and experience, composition and size of our Board in terms of gender, ethnicity and age;
  - Independence of Independent Directors based on the criteria of independence as set out in the Listing Requirements;
  - Character, experience, integrity, competence and time commitment of Directors; and
  - Terms of office and performance of the ARMC and each of its members.

- Reviewed the size and composition of the Board and concluded that the Board's size and composition is conducive for effective discussion and decision-making.
- Reviewed and recommended to our Board the re-election of Directors at the Seventh Annual General Meeting ("**AGM**") pursuant to the Companies Act 2016 and the Company's Constitution.
- Reviewed and recommended the appointment of Mr Teng Tian Hee as Executive Director and Mr Fong Weng Meng as NINED after having reviewed their profile in details and assessed their fit and proper criteria.

Appointment To The Board And Re-election Of Directors

The Board delegates to the NC the responsibility of recommending the appointment of any new Director if there is any vacancy arising from resignation, retirement or any other reason or if there is a need to appoint additional Director with the required criteria. The NC is responsible to ensure that the procedure for appointing new Directors is transparent and that appointments are made on merit.

The Board has adopted a Directors' Fit and Proper Policy which set out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and / or re-election of the Directors of the Company. The Directors' Fit and Proper Policy is made available on our Group's website.

In evaluating the suitability of candidates for the Board, the NC reviews the completed Fit and Proper Self-declaration Form and ensure that the candidates possess the necessary background, skills, professional expertise, experience, track record, character, integrity and where appropriate, the independence of the candidates for appointment as INED.

In accordance with the Company's Constitution, an election of Directors shall take place each year at an AGM and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company.

The following Directors are subject to retirement pursuant to the Company's Constitution at the forthcoming Eighth AGM:

(1) Mr Kok Hon Seng (Clause 76(3));
(2) Mr Philip Goh Teck Siang (Clause 76(3));
(3) Mr Teng Tian Hee (Clause 78); and
(4) Mr Fong Weng Meng (Clause 78).

The aforesaid Directors have expressed their intention to seek for re-election at the forthcoming Eighth AGM and their profiles are provided in the Annual Report to facilitate shareholders to make informed decision.

The NC had also taken into the consideration the outcome of the Directors' self-assessment before making recommendations to the Board for Directors who would be seeking for re-election at the AGM, NC also took a step further to conduct checks using external information as part of the assessment process on whether the directors have the (i) Character and Integrity; (ii) Experience and Competence; and (iii) Time Commitment to do the job in accordance with the Directors' Fit & Proper Policy. The fit and proper assessments are supported by relevant independent sources in relation to the persons being assessed.

Board Independence

Our Board recognises the significant contribution by the INEDs to our Group in providing fair and unbiased judgements / perceptions to our Board during the decision-making process.

Our Board acknowledges that its current composition does not meet the recommendation of Practice 5.2 of the MCCG, which requires at least half of the Board to comprise INEDs. However, the Board is satisfied that there is presently an appropriate balance between independent and non-independent directors on the Board, ensuring that decisions are thoroughly discussed and considered in the interest of the Company and all stakeholders.

The Board has been able to discharge its duties effectively and uphold high standards of corporate governance in its conduct. The Board is also satisfied that the current Board composition provides adequate representation of the interests of the minority shareholders. Notwithstanding this, the Board will consider increasing the number of INEDs should suitable candidates be identified.

In line with the MCCG, the INEDs who are retained beyond nine (9) years must be re-assessed as our Board is required to provide justification and seek shareholder's approvals for their re-appointment through a two-tier voting process.

At present, there are no instances where any of the INEDs' tenure have exceeded a cumulative term of nine (9) years as recommended by MCCG.

Boardroom Diversity

Our Board strives to maintain a balanced and diverse composition, considering the necessary mix of skills, age, gender, ethnicity, background, and experience amongst its directors, officers, and employees. During the financial year under review, our Board comprised two (2) female directors, which constitutes 25% of female representation on the Board.

Our Board recognises the importance of boardroom diversity and is aware of the recommendation under MCCG to comprise 30% female representation on the Board. In support of this initiative, our Board has adopted a Board Diversity Policy and remains committed to promoting diversity through its board succession planning and appointment process. Therefore, suitably qualified female candidates will be considered for appointment when a vacancy arises or if a decision is made to expand our Board.

Board Effectiveness

Our Board recognises the importance of evaluating the effectiveness of individual directors, our Board as a whole, and its Board Committees. The NC assists our Board in conducting annual assessments, with the results and comments summarised and discussed at the NC meeting before being reported to our Board. Based on the annual assessment results for the FYE 2026, the NC is satisfied with the current composition of our Board, concluding that each director possesses the necessary competence to serve and has demonstrated sufficient commitment to our Group.

Continuing Professional Development of Directors

As at the date of this statement, all our directors have successfully completed both Mandatory Accreditation Programme ("**MAP**") Part I and MAP Part II within the prescribed timeframe under the Listing Requirements.

Our Board believes that continuous professional development is vital for the Board members to enhance their skills and knowledge and to enable them to effectively discharge their duties. As such, our directors will continuously identify and attend appropriate seminars, conferences and courses to keep abreast with the current developments in various industries as well as the changes in laws and regulatory requirements.

During the FYE 2026, our directors have attended various training programmes and seminars. Details of the trainings and seminars undertaken are stated below:

Name Of Directors	Seminars / Forum / Training
Lau Tee Tee @ Lau Kim Wah	• SST Revision: Decoding the Technicalities and Exemptions • MIA Webinar Series: SST: New Service Tax Scope for Construction Industry • 2026 Budget Seminar • National Taxation Seminar 2025 (Budget 2026) organised by Lembaga Hasil Dalam Negeri Malaysia • Procedure for Removal of Director and Auditor • Mastering the Roles and Responsibilities of Company Directors: A Practical Guide under the Companies Act, 2016 • Complimentary Webinar: Lead the Change: e-Invoicing and the Future of Digital Practice • Overpaid Tax & Delayed Refunds: Legal Rights, Practical Remedies and Cash-Flow Planning (Malaysia) • Real Property Gain Tax, Capital Gains Tax • MIA Webinar Series: A Review and Analysis of the New MPERS 2025 – A Comprehensive Brief on All the Sections in MPERS • Mandatory Accreditation Programme Part I • Mandatory Accreditation Programme Part II
Kok Hon Seng	
Ng Soh Hoon (1)	
Philip Goh Teck Siang	
Datuk Lee Chong Leng	
Chong See Ling	
Teng Tian Hee	
Fong Weng Meng	

(1) Resigned on 12 June 2026

III. Remuneration

Remuneration Committee ("RC")

The RC, comprises three (3) INEDs, assists our Board on matters pertaining to the remuneration packages as well as periodically review the Remuneration Policy of our Group. During the FYE 2026, the RC had conducted three (3) meetings and their respective attendance records are tabulated below:

Directors	Designation	RC Meeting
Chong See Ling	Chairman, INED	3/3
Datuk Lee Chong Leng	Member, INED	3/3
Philip Goh Teck Siang	Member, INED	3/3

The RC is responsible for recommending and advising our Board on the remuneration packages of Executive Directors, Non-Executive Directors, and Key Senior Management, ensuring transparency and fairness in line with the Remuneration Policy. Nevertheless, our Board reserves the ultimate rights in approving the remuneration of all Directors and Key Senior Management whenever needed. The fees and allowances for Executive and Non-Executive Directors are subject to the approval by shareholders at the AGM of the Group.

Details of the remuneration of Directors and top five (5) Senior Management for the FYE 2026 are disclosed in the CG Report which is made available on our Group's website.

02. PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The ARMC is tasked with assisting and supporting our Board in fulfilling its statutory and fiduciary responsibilities related to areas such as financial reporting, risk management, internal controls, external and internal audit functions, review of related party transactions, governance, and other matters impacting our Group's and Company's businesses and financial conditions.

The ARMC is currently chaired by Mr Philip Goh Teck Siang, an INED, and is supported by two other INEDs, namely Datuk Lee Chong Leng and Ms Chong See Ling. All ARMC members have direct and unrestricted access to Management, as well as to the external and internal audit functions, to effectively carry out their roles and responsibilities.

All ARMC members are financially literate and have sufficient understanding of the Group's business. This enables them to continuously apply a critical probing view on the Group's financial reporting process, transactions and other financial information, and effectively challenge management's assertions on the Company's financials.

The authority, duties, and responsibilities of the ARMC, along with a summary of its works for the FYE 2026, are detailed in the ARMC Report in this Annual Report.

External Auditors

The ARMC is responsible for evaluating the capabilities and independence of the external auditors and recommending their appointment, re-appointment, or termination to our Board. To guide this process, Our Board has established an External Auditors Assessment Policy, which outlines the procedures for selecting, appointing, and assessing the performance and remuneration of external auditors.

The ARMC assesses the external auditors' performance, suitability and effectiveness, including, among others, their independence and objectivity, terms of engagement, supervisory ability, professional scepticism, technical knowledge and skills, experience and expertise, communication and interaction, capability and competency of engagement team and resources assigned to our Group. The external auditors are prohibited from offering any services that could impair their independence or conflict with their role. They have provided a written assurance to the ARMC confirming their independence throughout the audit engagement, in accordance with all relevant professional and regulatory requirements.

II. Risk Management and Internal Control Framework

Our Board is committed in operating a robust system of risk management and internal control, recognising that the system must continuously evolve to protect stakeholders' interests and support our Group's progressive business growth.

Our Board has delegated the overall responsibility for reviewing and monitoring the adequacy and effectiveness of the Group's risk management and internal control systems to the ARMC. Currently, the ARMC engages an independent professional internal audit firm to periodically assess the adequacy and effectiveness of the internal controls and risk management system on a periodic basis.

Details of our Group's risk management and internal control systems are provided in the Statement on Risk Management and Internal Control of this Annual Report.

03. PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

Our Board acknowledges the significance of corporate disclosure policies for ensuring that comprehensive, accurate, and timely information about our Group is communicated to both external and internal stakeholders. Accordingly, our Group has integrated the relevant procedures and guidelines into its Board Charter, specifically under *Section 12.0* (*Financial Reporting*), *Section 14.0* (*Shareholders Relationship*), and *Section 15.0* (*Stakeholders Relationship*).

In order to ensure transparent and effective communication with shareholders and timely disclosure of corporate announcements, our Group has established a dedicated section on its Group's website for the disclosure of relevant corporate information such as announcements, financial details, annual reports, quarterly financial results, share prices, performance updates, and activities. The website serves as the primary communication channel for our Group, providing relevant information and contact details to address any queries from shareholders and other stakeholders.

In addition, shareholders, proxyholders, and investors can directly inquire about investor relations matters through a dedicated email address provided on the Group's website.

II. Conduct of General Meetings

The Seventh AGM was physically held on 31 October 2025. Our Company has opted for a physical platform for better engagement with shareholders as it allows better flow of two-way communication at general meetings. As such, there was no electronic voting and remote shareholder participation for the Seventh AGM. Moving forward, we will consider adopting technology to enable voting in absentia and remote participation for shareholders in future general meetings when necessary.

The notice for the Seventh AGM was sent to shareholders more than 28 days before the date of holding the Seventh AGM to provide ample time for shareholders to review the proposed resolutions and make informed decisions when exercising their voting rights.

All Directors attended the AGM. The Chairman of the ARMC, RC, and NC were present to facilitate discussions and address any questions from the shareholders regarding matters within their respective Board Committees' purview. Our Board provided ample opportunity for shareholders to raise issues related to our Group's affairs, and the Board Chairman, along with the relevant Directors and Key Senior Management, provided adequate responses.

04. FOCUS AREA DURING THE YEAR

Our Board takes cognisant of the needs to continually strengthen its CG processes and practices and in this regard, strives to ensure adequate attention is paid to practices of MCCG that have yet to be adopted by our Group so as to ensure that the intended outcomes of MCCG are achieved, after taking into consideration the current business environment, culture and operational needs of our Group. Whilst there are departures by our Group from certain recommended practices advocated by MCCG, our Board is satisfied that the CG processes and practices of our Group remain in line with the principles and intended outcomes of MCCG. Hence, our Board is of the view that our Group has, in all material aspects, satisfactorily applied the practices that support the principles outlined in MCCG.

The CG Overview Statement is made in accordance with a resolution passed in the Board of Directors' Meeting held on 2 September 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Our Board is pleased to present the Audit and Risk Management Committee ("**ARMC**") Report for the financial year ended 31 May 2026 ("**FYE 2026**").

01. COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The current composition of ARMC is as follows:

Philip Goh Teck Siang | Chairman
Independent Non-Executive Director

Datuk Lee Chong Leng | Member
Independent Non-Executive Director

Chong See Ling | Member
Independent Non-Executive Director

The following best practices of the Malaysian Code on Corporate Governance ("**MCCG**") has been adopted by the ARMC:

- The Chairman of the Board is not a member of the ARMC pursuant to Practice 1.4;
- The Chairman of the ARMC is also not the Chairman of the Board pursuant to Practice 9.1; and
- The ARMC comprises solely of Independent Directors pursuant to Step Up Practice 9.4.

Mr Philip Goh Teck Siang, the Chairman of ARMC, is a Chartered Accountant of the Malaysian Institute of Accountants ("**MIA**") and a member of Malaysian Institute of Certified Public Accountants ("**MICPA**"). Other members include Datuk Lee Chong Leng, who is also a Chartered Accountant of MIA and a member of MICPA, and Ms Chong See Ling, who is a practising Advocate and Solicitor of the High Court of Malaya.

None of the ARMC members serve as alternate directors in the Board.

With the above composition and professional memberships obtained, the ARMC has met the requirements of Rules 15.09 and 15.10 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**").

02. ATTENDANCE OF MEETINGS

The ARMC held five (5) meetings during the FYE 2026 and the attendance of the ARMC members at the ARMC meetings are as follows:

Name of Members	No. of meetings attended
Philip Goh Teck Siang	5/5
Datuk Lee Chong Leng	5/5
Chong See Ling	5/5

Our Group's External Auditors, Outsourced Internal Auditors, other Directors and Key Senior Management (where applicable) have attended the above ARMC meetings at the invitation of the ARMC to present their reports and provide updates and developments on issues arising from the audit reports.

The Company Secretary is the Secretary of the ARMC and is responsible, together with the Chairman of ARMC, to take minutes of the meetings, issue and circulate the agenda, supported by relevant meeting papers prior to each meeting. The Company Secretary had attended all the meetings during the FYE 2026.

The ARMC had also met with the External Auditors and Outsourced Internal Auditors on separate sessions, without the presence of Executive Directors and the Management.

03. TERMS OF REFERENCE

Detailed Terms of Reference of the ARMC, covering its scope of duties and responsibilities, authority and other relevant matters, is made available on our Group's website at www.hppholdings.com.

04. SUMMARY OF ACTIVITIES

During the FYE 2026, the ARMC, in discharging its duties and functions, carried out the following activities:

I. Financial Reporting

- Reviewed the unaudited financial results of our Group for the quarters ended 31 May 2025, 31 August 2025, 30 November 2025 and 28 February 2026 prior to presentation to our Board for their consideration and approval, and discussed the following matters highlighted by the External Auditors:
  - Significant accounting and audit matters involving credit, taxation and impairment related matters;
  - Significant variances and explanations from Management; and
  - Financial reporting and disclosure requirements in accordance with the applicable accounting standards.
- Reviewed and discussed our Group's audited consolidated financial statements for the financial year ended 31 May 2025 together with the External Auditors, before recommending the same to the Board for their approval and inclusion in the Annual Report 2025.

II. Internal Audit

- Received and reviewed a total of four (4) internal audit reports, covering various aspects, functions and processes within our Group, which were tabled during the ARMC meetings.

- Evaluated and approved the risk based internal audit plan submitted by the Outsourced Internal Auditors to ensure adequate coverage over the key business activities of our Group.
- Reviewed and discussed the implementation actions taken by the management in response to the audit recommendations raised in the internal audit reports to ensure appropriate and prompt remedial actions were taken, and that identified control lapses were properly addressed.
- Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.

III. External Audit

- Reviewed the External Auditors' audit planning memorandum for the FYE 2026, outlining the auditors' responsibility, audit coverage and approach, area of audit emphasis, financial reporting standards adopted and proposed fees for the statutory audit and other ancillary works.
- Discussed the audit results with the External Auditors, which include significant accounting and auditing issues, internal controls improvement, quantitative aspect of accounting policies and management's assistance extended to the audit.
- Assessed the suitability, performance and effectiveness of the External Auditors, by evaluating, among others, their independence and objectivity, terms of engagement, supervisory ability, professional scepticism, technical knowledge and skills, experience and expertise, communication and interaction, capability and competency of engagement team and resources assigned to our Group.
- Received External Auditors professional independence declaration as well as External Auditors Annual Transparency Report.
- Discussed with the External Auditors, without the presence of Executive Directors and Management, on key audit concerns and findings of our Group.
- Reviewed the matters concerning the fees for audit and non-audit services performed by the External Auditors.

IV. Related Party Transaction ("RPT")

- Reviewed the RPT and / or Recurrent RPT ("**RRPT**") on a quarterly basis to ensure that they were undertaken on an arm's length basis, under normal commercial terms and on the terms no more favourable to the related parties than those generally available to the public. The ARMC had ensured that our Group follows the Listing Requirements and Companies Act 2016, and these RPT / RRPT are not detrimental to the interest of minority shareholders of the Company.

  During the financial year under review, the ARMC did not detect any RPT / RRPT that warranted specific disclosure and shareholders' mandate.

V. Conflict of Interest Situation

- Reviewed any conflict of interest and / or potential conflict of interest situations that may arise within our Group on a quarterly basis, including any transactions, procedure or course of conduct that may give rise to questions on management integrity.

  As part of the process, written disclosures are required to be made by all the Directors and Key Senior Management of the Group in identifying, disclosing and managing any actual, potential or perceived conflict of interest situation on a quarterly basis.

VI. Risk Management and Internal Control Management

- Considered the significant risk profile of our Group and assessed the adequacy of its risk management system.
- Reviewed Risk Management and Sustainability Working Group (formerly Risk Management Working Group) report in assisting the Board and ARMC on risk-related matters, further details are set out in the Statement on Risk Management and Internal Control of this Annual Report.

VII. Other Matters

- Reviewed and recommended to the Board the following reports / statements for approval and inclusion into the Company's Annual Report 2025:
  - Management Discussion and Analysis;
  - Corporate Governance Overview Statement;
  - Corporate Governance Report;
  - ARMC Report;
  - Statement on Risk Management and Internal Control; and
  - Sustainability Statement.
- Reviewed the allocation of options pursuant to the Employees' Share Option Scheme ("**ESOS**") for the FYE 2026 to ensure that it is in compliance with the criteria set out in the By-Laws and provisions of ESOS.
- Reviewed and recommended the Group's annual financial Budget and Capital Expenditure Budget for the FYE 2026 to our Board for approval.
- Reviewed and recommended the declaration of the first and second single-tier interim dividend in respect of FYE 2026 to the Board for approval, following a comprehensive assessment of the Group's financial position, including the statutory solvency test under the Companies Act 2016. This involved evaluating cash flow forecasts, stress testing, and sensitivity analysis to assess financial resilience under adverse conditions. The Committee also reviewed relevant bank covenants and confirmed that all required written consents from the respective banks had been obtained.
- Received presentation from Chief Financial Officer on the Budget Performance of the Group and Envy Premium Box Supplies Sdn Bhd against forecast results respectively for FYE 2026 together with explanation of any significant variances.

- Received update from the Management on the ESG Performance of the Group and roadmap for compliance with International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standard pursuant to the Listing Requirements.
- Reviewed and recommended to the Board that the Group implements comprehensive Inventory Management System, which is integrated with the Accounting System, including the Sales, Invoicing, Accounts Receivable, Purchase Order and Accounts Payable Systems.
- Monitored the key milestones for the ESG Implementation in compliance with IFRS S1 & S2 and the Listing Requirements.

05. INTERNAL AUDIT FUNCTION

Our Company has outsourced its internal audit function to an independent professional services' firm, Resolve IR Sdn. Bhd. ("**Resolve**"). Resolve is a corporate member of The Institute of Internal Auditors Malaysia. The internal audit team is led by the Mr. Choo Seng Choon, Managing Director of Resolve and assisted by the engagement director and engagement manager, who are professionally qualified and experienced to lead the outsourced

Name	Qualification & Accreditation
Mr. Choo Seng Choon *Managing Director*	• Certified Internal Auditor and Chartered Member of the Institute of Internal Auditors • Fellow Member of Association of Chartered Certified Accountants (UK) • Chartered Accountant of Malaysian Institute of Accountants • Certified Public Accountant of the Malaysian Institute of Certified Public Accountants

Internal audit function is essential in ensuring an independent and objective assessment of the effectiveness of our Group's risk management and internal control systems and is an integral part of the risk management process. The outsourced internal audit function reports directly to the ARMC and assists the ARMC in providing an independent assessment of the adequacy, efficiency and effectiveness of our Group's risk management and internal control systems.

The Outsourced Internal Auditors carry out internal audit reviews based on the annual audit plan approved by the ARMC to assess the adequacy and integrity of the system of internal control as established by the Management, so as to provide reasonable assurance on areas reviewed that:

- All key risk areas that are of concern to the Group are identified in the Group Risk Assessment undertaken and the key business processes that are relevant in managing the key risks identified are incorporated into the annual internal audit plan that is approved by the ARMC for the relevant financial year;
- The internal control system continues to operate satisfactorily and effectively;
- Assets and resources are safeguarded;
- Integrity of records and information is protected;
- Internal policies, procedures and standards are adhered to; and
- Applicable rules and regulations are complied with.

During the FYE 2026, the Outsourced Internal Auditors had carried out the following activities:

- Prepared and presented a revised internal audit plan for the ARMC's approval;
- Provided letter of assurance that nothing has come to their attention to indicate the existence of significant deficiencies or weaknesses in the design and implementation of the Group system internal control in respect of the scope of work undertaken in accordance with the approved internal audit plan approved by the ARMC for the FYE 2026.
- Reviewed Procurement and Payables, Anti-Corruption Framework, Independent Whistle-blowing Reporting, Treasury Management and facilitated the Group Risk Assessment in accordance with the approved internal audit plan;
- Presented internal audit results with highlights on key deficiencies and provided appropriate recommendations for improvement together with responses from Management to the ARMC.

The total costs incurred for the outsourced internal audit function as per audit plan for FYE 2026 was RM94,397.23.

Further details on the outsourced internal audit function are set out in the Statement on Risk Management and Internal Control on page 86 and 87 of this Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

06. EXTERNAL AUDITORS

Key audit matters raised by the External Auditors were deliberated and the ARMC reviewed and agreed with the Management's treatment and control measures implemented to provide the necessary safeguard for reporting integrity. The ARMC is pleased to report that there were no significant matters of disagreement that arose between the External Auditors and the Management. The ARMC also reviewed all non-audit services performed by the External Auditors in order to ensure the independence and objectivity of the External Auditors. The total fee for non-audit services performed by the External Auditors during the FYE 2026 was less than 5% of the Group's total audit fees.

07. RISK MANAGEMENT

The ARMC is also tasked to assist our Board in overseeing our Group's risk management framework and policies. During the financial year under review, the ARMC, assisted by the Outsourced Internal Auditors who carried out the Group Risk Assessment, reviewed the risks management processes to ensure that all necessary risk mitigation measures to address the critical risk areas have been or were being put in place. The ARMC also reviewed the adequacy and effectiveness of the internal control system to ensure, amongst others, that the assets of our Group are safeguarded, reliability of financial reporting and compliance with applicable laws and regulations.

This report was reviewed by the ARMC and approved by our Board on 2 September 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

01. INTRODUCTION

This Statement on Risk Management and Internal Control ("**Statement**") by our Board is made pursuant to Rule 15.26(b) of the Listing Requirements and as guided by the Statement on Risk Management and Internal Control ("**SORMIC**"): Guidelines for Directors of Listed Companies 2025 ("**SORMIC Guide 2025**") and the MCCG 2021.

This Statement outlines the nature and scope of risk management and internal control of our Group for FYE 31 May 2026 up to the date of approval of this Statement and covers all operations of our Group.

02. BOARD'S RESPONSIBILITY

Our Board affirms its overall responsibility for our Group's system of internal controls, which includes the establishment of an appropriate risk and internal control framework and for reviewing its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage and minimise rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or loss, contingencies, fraud or irregularities.

An ongoing process has been instituted for identifying, evaluating and managing the significant risks faced by our Group in achieving its objectives and strategies. In establishing and reviewing the risk management and internal control system, our Board has considered the materiality of the relevant risks, the probability of the losses being incurred and the associated cost of control. The process has been in place during the financial year up to the date of approval of the Annual Report.

Our Board is assisted by the ARMC in evaluating, assessing and reviewing the adequacy of our Group's system of risk management and internal control.

The key features of the risk management and internal control system are described below:

I. Risk Management And Internal Control System

Risk Management Framework

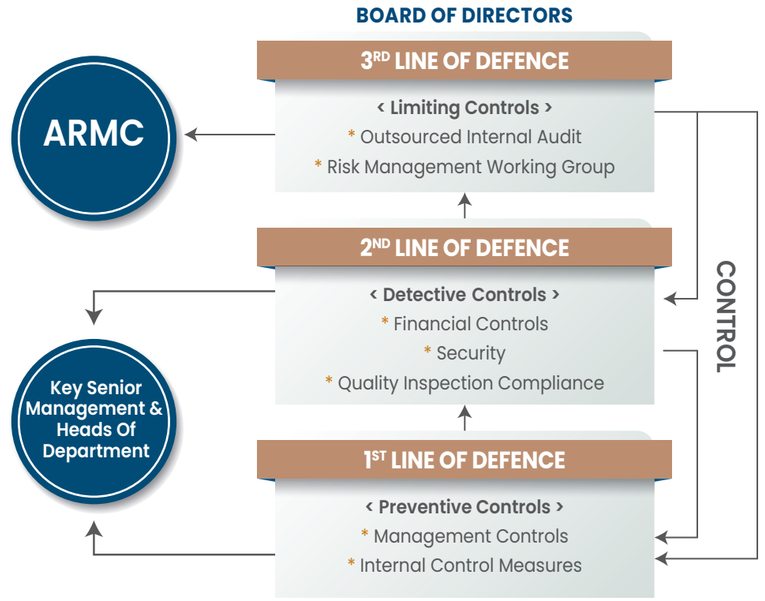
Our Group has established an Enterprise Risk Management ("**ERM**") framework that facilitates a structured approach towards risk management. Our Group's ERM framework comprises two (2) broad components, namely governance structure and risk management processes.

(A) Governance Structure

Our Group has adopted the "Three Lines of Defence" model where our Group's risk management and reporting structure are well defined. Clear lines of responsibilities and accountabilities are set out for the ownership, supervision and assurance of risk. The "Three Lines of Defence" of our Group are described below:

- The first line of defence: Function that owns and manages risk (Heads of Department);
- The second line of defence: Function that oversees or specialises in risk management and compliance (Key Senior Management); and
- The third line of defence: Function that provides independent assurance (ARMC is assisted by the Risk Management And Sustainability Working Group ("**RMSWG**") and outsourced internal audit function).

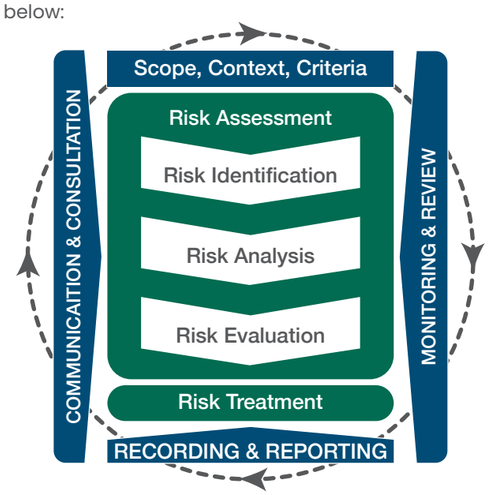
Our Group's risk management reporting structure is illustrated below:

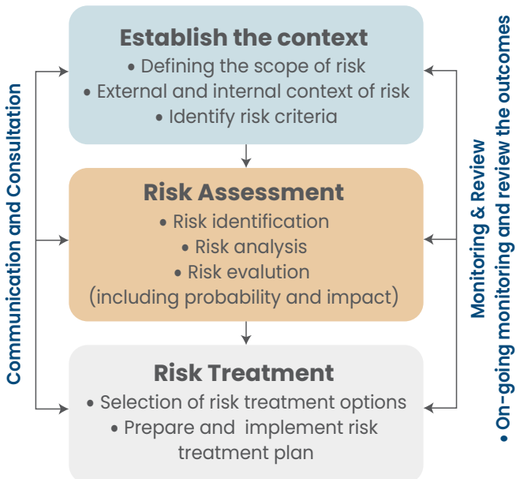


(B) Risk Management Processes

Structured processes have been established for the identification, assessment, communication, monitoring as well as regular review of risks and the effectiveness of the corresponding risk mitigation strategies.

The ERM Framework is guided by the global risk management standard, ISO 31000:2018 – principles and guidelines which articulates the risk policy, risk tolerance levels, standardised classifications and categories of risks and the risk review process. The risk management processes are embedded into the day-to-day management processes and applied in decision-making and strategic planning. Our Group's risk management processes are illustrated below:





STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In line with the ERM Framework, our Board, facilitated by our outsourced Internal Auditors, Resolve IR Sdn. Bhd., had reassessed the risks faced by our Group and updated the Group Risk Assessment in May 2026.

Our Group Risk Assessment ("**RA**") was undertaken to identify and assess the risks that matter to our Group. The specific objectives of our Group RA are mainly to:

- Identify significant risks that may affect the achievement of our Group's business objectives.
- Rate the significant risks of our Group's businesses after considering the existing controls and current risk management system and activities.
- Ascertain the significant risk profile of our Group.
- Determine if the significant risks identified require further attention or treatment.

The key elements of RA are as follows:

- Identify significant risks associated with HPP Holdings' business goal, based on a list of sources of risks after considering the prevailing business conditions, external market and industry sentiments.
- Identify the existing controls that manage the identified risks.
- Confirm the ownership and timelines for managing and monitoring the identified significant risks.
- Rate the identified significant risks in terms of likelihood of occurrence and the resulting impact on the organisation. The rating takes into account the effectiveness of existing controls put in place to manage the said risks.
- Decide on the risk treatment and develop risk response to manage the significant risks.
- Integrate risk management practices into the strategic planning, operational processes and decision making.
- Continuous monitoring to ensure compliance and update HPP Holdings' existing significant risk profile to ensure its continued relevance to the business operations.

All identified significant risks were rated and prioritised in terms of likelihood of the risk occurring and its impact should the said risk occurs. The risk ratings had taken into consideration the input of the Key Senior Management and Heads of Department on the adequacy of existing internal controls put in place to mitigate the significant risks identified.

The RA covered the following business areas:

- Corporate Governance
- Operations
- Financial
- Customers
- Suppliers
- Human Capital
- Regulatory
- Legal
- External factors beyond our control

The RA and evaluation considered potential risks that may affect our Group after taking into account the following perspectives:

- Strategic risk impact
- Operational risk impact
- Compliance risk impact
- Financial impact

Beyond identified risks, Management continuously monitors emerging and forward-looking risks arising from changes in the external and internal environment, including technological disruption, climate-related developments, cybersecurity threats, regulatory changes and evolving market conditions. Emerging risks identified through ongoing monitoring and periodic risk reviews are assessed for their potential impact on the Group's objectives and incorporated into the risk management framework where relevant.

The results of the RA were used by the outsourced Internal Auditors in mapping key risks relevant to the key business processes of concern and incorporated into the annual internal audit plan approved by the ARMC for the financial year.

The above process has been practiced by our Group for the financial year under review and up to the date of approval of this Statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Consistent with the disclosure principles of the SORMIC Guide 2025, the Group Risk Assessment identified and assessed key risks that may affect the achievement of the Group's business objectives and strategies. These include the following:

- Economic slowdown, which may affect customer demand, operating margins and cash flow;
- Changes in government policies, laws and regulations, which may increase compliance obligations or affect business operations;
- Increasing market competition, which may place pressure on pricing, customer retention and market share; and
- Key management personnel dependency, where the loss or unavailability of key personnel may affect business continuity, operational decision-making and the execution of strategic initiatives.

These risks are managed through periodic review of the Group's risk profile, monitoring of financial and operational performance, compliance with applicable regulatory requirements, engagement with customers and suppliers, and talent development initiatives, where appropriate. The RMSWG and Key Senior Management continue to monitor these risks and report material developments to the ARMC and the Board for deliberation and oversight.

II. Risk Management and Sustainability Working Group ("RMSWG")

Our Group had formed a RMSWG to further strengthen the management and oversight of risk management function and sustainability initiatives and reporting requirements within our Group. The members are nominated employees from various departments within our Group (i.e. Executive Directors and Heads of Department) to facilitate a coordinated approach to risk management and sustainability oversight. The positions of Chairman and Competent Personnel of RMSWG are assumed by our Group Managing Director and Chief Operating Officer II respectively.

The roles and responsibilities of the RMSWG on Risk Management are as follows:

- Propose the risk management improvements and sustainability targets to our ARMC for approval.
- Implement the risk management process, which includes the identification of key risks, assessment of probability and quantification of impact, and devising appropriate action plan in cases where existing controls are ineffective, inadequate or non-existent.
- Point of communication among the relevant stakeholders on management of identified risks.
- Ensure that risk strategies adopted are aligned with our Group's strategies and risk management improvement targets.
- Continuous review and update the Key Risk Registers of our Group to ensure that Existing Risks and new Key Risks identified are assessed in terms of their probability and impact, arising from changes in internal business processes, expanded and new lines of business, economic conditions, business strategies and external environment, in order to keep relevant, the Group's risk treatment and risk management action plan.
- Review and update the Key Risk Registers of our Group for changes in internal business processes, business strategies or external environment and to determine management action plan.
- Update our Board, through the ARMC, on changes made to the Key Risk Registers on a periodic basis or as and when required (i.e. where there is significant change to the internal business processes, business strategies or external environment) and the course of action to be taken by management in managing the changes.

The roles and responsibilities of the RMSWG on sustainability are as follows:

- Coordinate the development and implantation of our Group sustainability and ESG strategy, objectives, and initiatives.
- Identify and assess material sustainability matters and their potential impact on the Group's business, stakeholders, and operations.
- Monitor the Company's performance against established ESG targets, KPIs and sustainability commitments.

- Coordinate initiatives relating to:
  * Environmental management and climate-related matters;
  * Energy and water efficiency;
  * Waste reduction and recycling;
  * Carbon emissions;
  * Sustainable materials and responsible sourcing;
  * Occupational health and safety;
  * Labour and human rights;
  * Business ethics and corporate governance; and
  * Community and stakeholder engagement.
- Monitor compliance with applicable environmental, social, regulatory and customer sustainability requirements.
- Coordinate with relevant sustainability assessments, certifications, audits and customer requirements, where applicable.

During the financial year, the RMSWG have:

- Collaborated with the outsourced Internal Auditors to conduct the Group Risk Assessment for FYE 2026.
- Reviewed and devised appropriate risk management action plan in response to the findings in the Group Risk Assessment conducted by the outsourced Internal Auditors.
- Supported the Group's sustainability governance efforts by coordinating with the ESG Steering Committee on relevant sustainability matters and monitoring the progress of sustainability-related initiatives and reporting requirements.
- A dedicated sustainability officer was appointed to coordinate sustainability matters and report to the relevant competent personnel.

The RMSWG had also considered emerging and non-traditional risks, including sustainability and climate-related matters, cyber security and technology disruption and supply chain resilience. Based on the Group's current business model, operating environment, existing controls, risk appetite and the outcome of the Group Risk Assessment, the RMSWG concluded that these emerging and non-traditional risks did not present a material residual risk requiring specific disclosure in this Statement for the financial year under review. The RMSWG will continue to monitor these areas as part of its ongoing risk review process and will escalate any material changes to the ARMC and the Board, where appropriate.

The RMSWG held one (1) meeting during the financial year.

III. Internal Controls

Our Board receives and reviews regular reports from the management relating to key financial data, performance indicators including achievements against budget, and regulatory matters. This is to ensure that matters that require our Board and Key Senior Management's attention are highlighted for review, deliberation and decision on a timely basis. The Board retains sole authority to approve any material changes or responsive actions regarding our Group's Policies. The financial results of our Group are reported quarterly and significant fluctuations are analysed and where relevant, appropriate actions taken on a timely manner. Our Group Managing Director also highlights for our Board's attention any significant issues related to the business operations, which may arise during his meetings with the Heads of Department.

Further independent assurance is provided by the ARMC. The ARMC, assisted by the outsourced Internal Auditors, reviews internal control matters and updates our Board on significant control gaps for our Board's attention and action.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

IV. Internal Audit Function

Our Board recognises the importance of the internal audit function and has outsourced the internal audit function to a professional service firm, as part of its efforts in ensuring that our Group's system of internal controls is adequate and effective. The internal audit activities of our Group are carried out in accordance with the annual audit plan approved by the ARMC.

The outsourced internal audit function adopts a risk-based approach and prepares its audit plans based on risk profile of our Group and significant risks identified. The internal audit provides an assessment of the adequacy and integrity of our Group's system of internal controls, and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the internal audit assessments are reported quarterly to the ARMC.

The internal audit reports are reviewed by the ARMC and forwarded to the Key Senior Management so that any recommended corrective actions are implemented. The Key Senior Management is responsible in ensuring necessary corrective actions on reported weaknesses are taken within the required time frame. The ARMC briefs the Board of Directors on the Key Internal Audit Findings.

During the FYE 31 May 2026 and up to the date of this Statement, the outsourced Internal Auditors had conducted internal audit reviews on the following areas in accordance with the internal audit plan, approved by the ARMC:

- Facilitated the Group Risk Assessment
- Anti-Corruption Framework and Independent Whistle-Blowing Reporting
- Procurement and Payables
- Treasury Management

All findings, including internal control weaknesses, recommendations for improvement, and corrective actions to be implemented by the Key Senior Management, have been reported to the ARMC and our Board. The implementation of corrective actions by the Key Senior Management is monitored by the ARMC during its quarterly meetings.

The total costs incurred for the outsourced internal audit function as per audit plan for FYE 2026 was RM94,397.23. An additional fee of RM5,178 was incurred for review of the Sustainability Report for FYE 2025 but paid in FYE 2026.

V. Internal Control Framework

The key elements of our Group's internal control framework are described below:

(A) Long Term Sustainability

Our Group is committed towards value creation for long-term sustainability for its stakeholders. To this end, our Group has embedded practices that focus on building sustainability throughout our Group's business operations.

(B) Good Corporate Governance

Our Group firmly believes that good corporate governance is the key towards enhancement of shareholder value, the promotion of Group's long-term value as well as building a sustainable business. To this end, our Board is steadfast towards maintaining high standards of corporate governance within our Group and to uphold the Principles of MCCG 2021 towards achieving the intended outcomes as set out in MCCG 2021.

(C) Integrity and Ethical Values

Our Board believes ethical corporate culture begins from the top whereby the control environment sets the tone for our Group by providing fundamental discipline and structure.

In order to encourage our employees to understand our Group's effort in promoting integrity and ethical value, our Group has formalised the same in the Employees Handbook.

(D) Code of Conduct and Ethics

Our Board has set the tone at the top for corporate behaviour and corporate governance. All our employees shall adhere to the Code of Conduct and Ethics of our Group which sets out the principles and standard to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within our Group and with external parties. Code of conduct is monitored via control activity monitoring mechanism; non-compliances shall be detected on a timely basis and investigated with appropriate corrective action, including but not limited to disciplinary actions, in order to rectify non-compliance.

(E) Anti-Bribery and Anti-Corruption ("ABAC") Policy

Our Group is committed towards upholding high corporate governance standards and to this end, our Group has appropriate Anti-Corruption policies and procedures pursuant to subsection (5) of Section 17A of Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act 2009**"), as provided in Section 4 of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**MACC Amendment Act 2018**"). These policies and procedures also govern our Group's conduct in providing charitable contributions, political contributions or receiving / offering gifts, hospitality and promotional expenses in a transparent manner as a demonstration on our Group's rejection on all forms of corruption. Our Group has also implemented effective management systems to counter bribery and corruptions.

Our Group formed an Anti-Bribery and Anti-Corruption Working Group ("**ABACWG**") in FYE 31 May 2022. The positions of Chairman and Competent Personnel of ABACWG are assumed by our Group Managing Director and Chief Financial Officer respectively. The roles and responsibilities of ABACWG are to, among others, oversee and update the anti-bribery and anti-corruption policies, conduct bribery and corruption risk assessment, adopt the anti-bribery and anti-corruption framework and implement the anti-bribery and anti-corruption compliance programme for our Group.

During the financial year, ABACWG have:

- Reviewed the controlling ABAC worksheet on whether it has been prepared in accordance to "TRUST" principles of the ABAC Guideline.
- Evaluate and enhance the effectiveness of ABAC training procedure as well as yearly refreshment programme.
- Reassess the ABAC risk for FYE 2026.
- Reviewed and revised ABAC policy which was first adopted on 21 January 2022 to reflect the current requirements.

(F) Whistleblowing policy and procedure

The Whistleblowing policy and procedure provides an avenue for stakeholders of our Group to raise concerns related to possible breach of business conduct, non-compliance with laws and regulatory requirements as well as other malpractices. The Whistleblowing policy and procedure sets out the protection accorded to whistleblowers who disclose such irregularities in good faith.

Our Group has established a Grievance System as a reporting mechanism for employee concerns, along with a structured process for addressing them.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

(G) Clear Organisational Structure and Responsibility

There is a clear organisational structure with well-defined lines of reporting and appropriate segregation of duties and accountabilities:

- Documented policies and procedures: Internal policies and procedures are clearly documented, covering a majority of areas within our Group, subject to review and update as considered necessary in order to support the Group's business activities in achieving the Group's business objectives.
- Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant terms of reference, organisational structures and appropriate authority limits, including matters requiring our Group Managing Director's and Board's approval.
- Proper division of authority and responsibility at various Board Committees, namely the ARMC, Nomination Committee and Remuneration Committee, are clearly defined in their respective terms of reference.
- Our Group is accredited with the certificate of ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System. Our Group ensures strict compliance with the requirements of both ISO standards in its daily operations in order to preserve product quality as well as to achieve the environmental goals.
- A structured recruitment process is in place to ensure that only suitable employees are recruited as well as retaining adequate competent employees. The competency and knowledge of employees are enhanced through relevant training and development programmes. The recruitment process is periodically reviewed for its efficiency.
- Job descriptions are established, and annual performance evaluations are carried out to assess individual performance, ensuring that employees are equipped with the relevant knowledge and skills required to perform their duties and responsibilities diligently and effectively Appropriate bonus entitlement and salary increments are recommended in line with the results of the evaluation.
- Our Group has adopted effective and efficient information and communication infrastructures and channels, including a computerised enterprise resource planning system, electronic mail system, and secure intranet, to ensure that timely and secure operational data and management information are communicated for decision-making purposes.
- Machine Key Performance Indicators ("**KPIs**") are formulated annually to monitor the performance of key divisions and departments against established targets, enabling prompt management action to address unsatisfactory results during operational review meetings.
- The Group's property, plant, and equipment are insured to protect against mishaps and other perils that could result in material losses. Management conducts annual reviews during policy renewals to ensure sufficient coverage is maintained.
- Quarterly monitoring of group result against budget, with major variances being followed up and management action taken, where necessary.

(H) Planning, monitoring and reporting

- Board and ARMC Meetings: Both Board meetings and Audit and Risk Management Committee (ARMC) meetings were held six (6) times during the financial year. Meeting papers were distributed to the Board and ARMC members in a timely manner to provide access to all relevant information for deliberation and decision-making.
- Management Meetings: Held monthly between the Group Managing Director, Executive Directors, Chief Financial Officer, key senior management, and / or respective Heads of Department to discuss business developments, operational performance, financial results against plans, and other business matters.
- Operational Review Meetings: Convened on an ad-hoc or periodic basis by respective business units to monitor the progress and performance of business operations against operating plans.
- Financial Performance Review: The Group's quarterly and annual results are reviewed and approved by the Board prior to public release, while the full-year financial statements are audited by the External Auditors before issuance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

03. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement in the Annual Report for the financial year ended 31 May 2026. Their review is performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. The external auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the system of internal control of the Group.

Audit and Assurance Practice Guide 3 does not require the external auditors to consider whether this Statement covers all risk and controls or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention to cause them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies nor is this statement factually inaccurate.

04. CONCLUSIONS

Our Board is satisfied with the adequacy and effectiveness of our Group's risk management and internal control systems. Our Board, through the ARMC, has reviewed the adequacy and effectiveness of the risk management and internal control system for FYE 31 May 2026 and is of the view that the controls are operating adequately and effectively in all material respects.

Our Board has received written assurance from our Group Managing Director and Chief Financial Officer that our Group's risk management and internal control system, in all material aspects, are operating adequately and effectively. Our Board is not aware of any material control weaknesses or failures that have directly resulted in any material misstatement, loss or contingency to our Group for the financial year under review and up to the date of approval of this Statement on Risk Management and Internal Control for inclusion in the Annual Report.

Our Board is committed towards maintaining an effective risk management and internal control system throughout our Group and strives for continuous improvements to further enhance our Group's risk management and internal control system. Furthermore, our Group will continue to evaluate and manage the significant business risks faced by our Group.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of our Board of Directors dated 2 September 2026.

ADDITIONAL COMPLIANCE INFORMATION

01. UTILISATION OF PROCEEDS

Our Company was listed on the ACE Market of Bursa Securities on 20 January 2021 ("**Listing**"). Pursuant to the listing, our Company undertook a public issue of 88,669,000 new ordinary shares at an issue price of RM0.36 per share, raising gross proceeds of approximately RM31.92 million ("**IPO Proceeds**").

On 16 December 2022, our Company announced its extension of timeframe from 24 months to 36 months from the date of Listing for the utilisation of the remaining unutilised IPO Proceeds allocated for capital expenditure and expansion.

Further therefrom, on 28 November 2023, our Company announced its proposed variation and extension of timeframe for the utilisation of the remaining unutilised IPO Proceeds which was thereafter duly approved by the shareholders at an Extraordinary General Meeting held on 5 January 2024. On 19 July 2025, upon expiry of the IPO utilisation deadline, the balance of the unutilised amount was relocated and fully utilised for working capital purposes.

The following table shows the summary of the IPO utilisation:

Details of utilisation	IPO Proceeds RM'000	Actual utilisation RM'000	Reallocation RM'000	Unutilised amount RM'000	Revised Unutilised amount RM'000	Actual utilisation[5] RM'000	Balance unutilised amount[6] RM'000	Intended timeframe for utilisation upon listing	Revised timeframe for utilisation (from 20 January 2024) [3]
Capital expenditure and expansion	13,031	6,597	-	6,434	-	-	-	Within 36 months[2]	-
Repayment of bank borrowings	7,783	7,783	-	-	-	-	-	Within 12 months	-
Working capital	5,207	5,021	[1](186)	-	3,554	3,554	-	Within 24 months	Within 18 months
Sales and marketing expenses	2,000	-	-	2,000	500	77	423	Within 36 months	Within 18 months
Estimated listing expenses	3,900	[1]4,086	[1]186	-	-	-	-	Within 3 months	-
Acquisition of machineries[4]	-	-	-	-	4,380	2,900	1,480	-	Within 18 months
Total	**31,921**	**23,487**	-	**8,434**	**8,434**	**6,531**	**1,903**	-	-

Notes:

(1) As the actual amount incurred for listing expenses is higher than estimated, the shortfall has been funded out of the amount allocated for working capital purposes, as set out in Section 2.7.5 of the Prospectus.

(2) The Company had on 16 December 2022 announced the extension of timeframe for the utilisation of proceeds allocated for capital expenditure and expansion from within 24 months to within 36 months from listing.

(3) The Company had on 5 January 2024 obtained its shareholders' approval via an extraordinary general meeting for the variation and extension of timeframe of 18 months from 20 January 2024 i.e. up to 19 July 2025 for the utilisation of the remaining proceeds raised from the

(4) Public Issue.
Being the acquisition of 1 unit of dry hot press paper pulp moulded packaging machine, 1 unit of wet hot press paper pulp moulded packaging

(5) machine and 1 unit of 3D- printing machine.

(6) As at 19 July 2025.
As at 19 July 2025, the remaining unutilised proceeds, after the acquisition of machineries and sales and marketing expenses as abovementioned, stood at RM1.903 million.

02. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees payable to the External Auditors or their affiliated companies by our Group and our Company for the financial year ended 31 May 2026 ("**FYE 2026**") are as follows:

	Our Group RM'000	Our Company RM'000
Audit fees	139.50	41.40
Non-audit fees*	5.50	5.50
Total	**145.00**	**46.90**

Note:
** Non-audit fees comprise review of Statement on Risk Management and Internal Control*

03. MATERIAL CONTRACTS

There were no material contracts or loan entered into by our Group involving the interest of the Director, Chief Executive Officer or major shareholders during the FYE 2026.

04. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

During the FYE 2026, the following related party transactions of a revenue and trading nature were entered into by our Group:

Related parties involved	Relationship	Nature of Transactions	Amount (RM'000)
Lau Tee Tee @ Lau Kim Wah ("**Mr Lau**"), Kok Hon Seng ("**Mr Kok**") and the late Ng Soh Hoon ("**Madam Ng**")	Mr Lau, Mr Kok and the late Madam Ng are our Directors and major shareholders. They are also the directors and shareholders of Aurora Meadow Sdn. Bhd. ("**AMSB**")	Rental paid to AMSB for workers' accommodations	15

05. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

On 2 November 2021, our Company established an ESOS involving up to 15% of the total number of issued shares of our Company (excluding treasury shares, if any) at any point of time during the duration of the ESOS for eligible Directors and employees of our Group (excluding subsidiary companies which are dormant, if any). The ESOS will be in force for a period of five (5) years and expire on 2 November 2026.

The principal features of the ESOS are as follows:

I. The maximum number of shares which may be made available under the ESOS shall not in aggregate exceed 15% of the total number of issued shares of our Company (excluding treasury shares, if any) at any point of time during the ESOS period.

II. An eligible person (including executive directors) of our Group shall be eligible to participate in the ESOS if, as at the date of offer, the eligible person is at least 18 years of age and has been confirmed and completed at least one (1) year of service within our Group on a full time basis / has been appointed as a director of a company within our Group.

III. All non-executive directors who have been appointed to the Board for more than one (1) year shall be eligible to participate in the ESOS in accordance with the Listing Requirements.

IV. Not more than 50% of the total number of shares to be issued under the ESOS could be allocated, in aggregate, to the directors and senior management of our Group who are eligible persons (where "senior management" shall be subject to any criteria as may be determined at the sole discretion of the ESOS Committee from time to time).

V. The ESOS shall be valid for a duration of five (5) years from the effective date and may be extended for such further period after the date of expiration of the original five (5) years period, at the absolute discretion of our Board upon the recommendation by the ESOS Committee, provided always that the initial ESOS period and such extension of the ESOS made shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the effective date.

VI. The option price shall be determined based on the weighted average market price of shares for the five (5) market days immediately preceding the date of offer with a discount of not more than 10%.

VII. The ESOS Committee shall have the sole and absolute discretion in determining whether the shares available for vesting under the ESOS are to be offered to the eligible person via: (i) one single offer (as the case may be) at a time to be determined by the ESOS Committee; or (ii) several offers (as the case may be) where the vesting of shares comprised in those offers is staggered or made in several tranches at such times and on terms determined by the ESOS Committee provided always that the aggregate number of Shares in respect of the offers granted to any eligible person shall not exceed an amount equivalent to 15% of the prevailing total number of issued shares of the Company (excluding treasury shares) at any one time.

VIII. The shares to be issued and / or transferred (via treasury shares, if any) upon the exercise of any ESOS options shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing shares, except that the shares shall not be entitled to any dividends, rights, allotments and / or other distributions that may be declared, made or paid, for which the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments and / or other distributions) is prior to the date of issuance and / or transfer of the abovementioned shares upon the exercise of any ESOS options.

ADDITIONAL COMPLIANCE INFORMATION

Please refer to the table below for further details on the total number of ESOS options granted, exercised, lapsed / forfeited and outstanding during the FYE 2026:

	Balance as at 1 June 2025	No. of ESOS options			Balance as at 31 May 2026
		Granted	Exercised	Lapsed / forfeited	
Directors[1]	7,308,600[2]	-	-	-	7,308,600[2]
Employees	30,559,900	-	-	7,800	30,552,100
Total	**37,868,500**	**-**	**-**	**-**	**37,860,700**

Notes:

(1) The ESOS options granted and exercised by the non-executive directors during the FYE 2026 are as follows:

Name of directors	No. of ESOS options granted	No. of ESOS options exercised
Lau Tee Tee @ Lau Kim Wah	1,442,000	-
Philip Goh Teck Siang	300,000	-
Datuk Lee Chong Leng	300,000	-
Total	**2,042,000**	-

(2) Inclusive of ESOS options offered to Mr Choo Chee Beng (former INED): 240,000, and ESOS options offered to Mr Lim Soon Guan (our subsidiary, Envy

Since the commencement of the ESOS, approximately 48.33% of the options under the ESOS have been granted to Directors and senior management of the Group, out of which 19.18% and 29.15% were granted to Directors and senior management respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Rule 15.26(a) of the Listing Requirements, the Directors are required to issue statement on its responsibility in the preparation of the annual audited financial statements.

Our Directors are responsible to ensure that the preparation of the financial statements for each financial year are in accordance with the Malaysian Financial Reporting Standards, IFRS Accounting Standards and requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of our Group and of our Company as at 31 May 2026 and of the financial performance and cash flows for the financial year ended on that date.

In preparing the financial statements, the Directors have:

- Applied appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

Our Directors are also responsible in taking reasonable steps to safeguard the assets of our Group and of our Company to prevent and detect fraud and other irregularities.

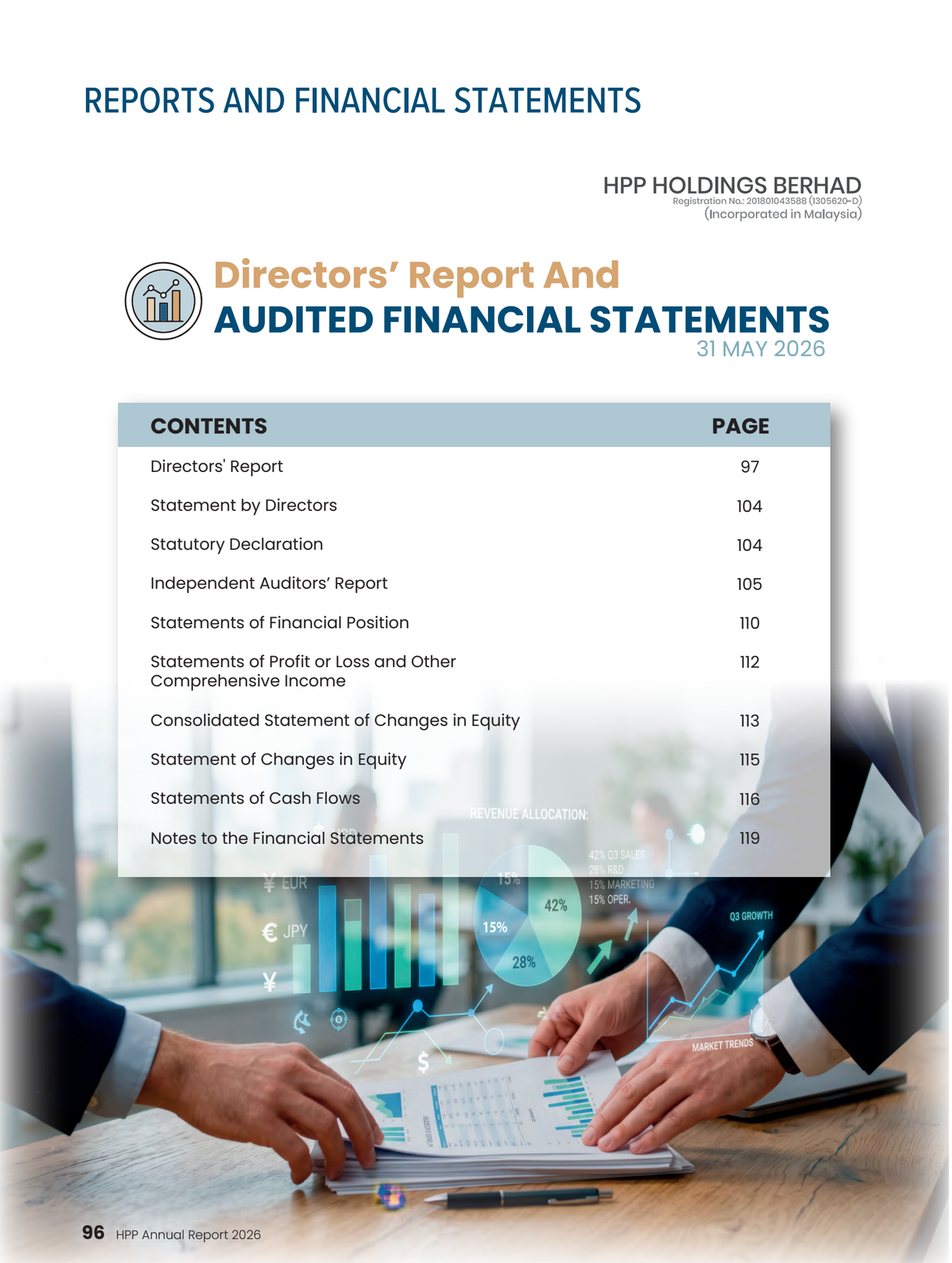
The statement is made in accordance with a resolution of the Board of Directors dated 2 September 2026.

HPP HOLDINGS BERHAD
Registration No.: 201801043588 (1305620-D)
(Incorporated in Malaysia)

Directors' Report And AUDITED FINANCIAL STATEMENTS

31 MAY 2026

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HPP HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2026.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are printing, production and trading of paper-based packaging, including corrugated boxes, non-corrugated boxes, paper pulp moulded packaging and rigid boxes, and investment holding in real property. The principal activities and details of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	5,060,462	5,016,134
Attributable to:		
Owners of the Company	5,346,165	5,016,134
Non-controlling interests	(285,703)	-
	5,060,462	5,016,134

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year was as follows:

	RM
In respect of financial year ended 31 May 2026:	
First interim single tier dividend of RM0.0050 per ordinary share, declared on 23 October 2025 and paid on 28 November 2025	1,943,402
Second interim single tier dividend of RM0.0050 per ordinary share, declared on 22 April 2026 and paid on 28 May 2026	1,943,402
	3,886,804

The Directors do not recommend the payment of any final dividend in respect of financial year ended 31 May 2026.

RESERVES AND PROVISIONS

There was no material transfer to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any debentures during the financial year.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 29 October 2021, the Company's shareholders approved the establishment of ESOS of up to 15% of the total number of issued ordinary shares of the Company at any point in time during the existence of ESOS. The ESOS shall be in force for a period of five (5) years and the ESOS options are exercisable from 18 November 2021 in accordance to the respective vesting period up to the date of expiry of the ESOS.

The salient features of the ESOS are as follows:

(a) Eligible persons are employees and/or Directors of the Company and its subsidiaries who have been confirmed in the employment of the Company and its subsidiaries;

(b) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 15% of the total number of issued share capital of the Company at any point in time;

(c) The option may be exercised by the option holders by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS;

(d) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares; and

(e) The vesting conditions are determined by the Group's ESOS committee.

On 18 November 2021, the Company granted 38,415,800 share options under the ESOS plan at an option price of RM0.468 per ordinary share in accordance with the terms and conditions of the By-Laws.

On 15 July 2024, the Company granted 3,000,000 share options under the ESOS plan at an option price of RM0.365 per ordinary share in accordance with the terms and conditions of the By-Laws.

The options offered for the subscription of unissued ordinary shares, the exercise price and the number of share options exercisable as at end of the reporting period are as follows:

Grant date	Expiry date	Exercise price (RM)	As at 1 June 2025 (Unit)	Granted (Unit)	Forfeited (Unit)	As at 31 May 2026 (Unit)	Exercisable as at 31 May 2026 (Unit)
18.11.2021	2.11.2026	0.468	35,118,800	-	(7,800)	35,111,000	31,859,625
15.07.2024	2.11.2026	0.365	2,749,700	-	-	2,749,700	2,749,700
			37,868,500	-	(7,800)	37,860,700	34,609,325

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

The Company

Kok Hon Seng
Lau Tee Tee @ Lau Kim Wah
Philip Goh Teck Siang
Datuk Lee Chong Leng
Chong See Ling
Fong Weng Meng (Appointed on 4 February 2026)
Teng Tian Hee (Appointed on 4 February 2026)
Ng Soh Hoon (Resigned on 12 June 2026)

Subsidiaries of the Company

Kok Hon Seng
Lau Tee Tee @ Lau Kim Wah
Chong Fea Chin
Lim Soon Guan
Teng Tian Hee
Ng Soh Hoon (Resigned on 12 June 2026)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 May 2026 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	---------- Number of ordinary shares ----------			
	Balance as at 1.6.2025/ Date of appointment	Bought	Sold	Balance as at 31.5.2026
Ordinary shares in the Company				
Direct interests:				
Kok Hon Seng	23,541,528	915,000	-	24,456,528
Lau Tee Tee @ Lau Kim Wah	7,788,268	100,000	-	7,888,268
Ng Soh Hoon	14,004,665	-	-	14,004,665
Philip Goh Tech Siang	200,000	-	-	200,000
Datuk Lee Chong Leng	400,000	-	-	400,000
Teng Tian Hee	-	60,000	-	60,000
Indirect interests:				
Kok Hon Seng[1]	214,900,295	371,300	(36,000,000)	179,271,595
Lau Tee Tee @ Lau Kim Wah[2]	207,847,837	371,300	(36,000,000)	172,219,137
Ng Soh Hoon[3]	224,437,158	1,286,300	(36,000,000)	189,723,458
Teng Tian Hee[4]	-	28,069,202	-	28,069,202

(1) Deemed interest by virtue of his and his spouse, Ng Soh Hoon's interest in Aurora Meadow Sdn. Bhd. and Ng Soh Hoon's direct interest in HPP Holdings Berhad pursuant to Section 8 of the Companies Act 2016 ("Act").

(2) Deemed interest by virtue of his and his spouse, Chong Fea Chin's interest in Aurora Meadow Sdn. Bhd. and Chong Fea Chin's direct interest in HPP Holdings Berhad pursuant to Section 8 of the Act.

DIRECTORS' INTERESTS (continued)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year ended 31 May 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

(3) Deemed interest by virtue of her and her spouse, Kok Hon Seng's interest in Aurora Meadow Sdn. Bhd. and Kok Hon Seng's direct interest in HPP Holdings Berhad pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of his spouse, Ang Poh Geok's direct interest in HPP Holdings Berhad and his children, Teng Chee Kang, Teng Chee Khoon and Teng Mei Sien's direct interests in HPP Holdings Berhad.

	Number of ordinary shares			
	Balance as at 1.6.2025	**Bought**	**Sold**	**Balance as at 31.5.2026**
Ordinary shares in the ultimate holding company				
Direct interests:				
Kok Hon Seng	21,008,776	-	-	21,008,776
Lau Tee Tee @ Lau Kim Wah	7,004,724	-	-	7,004,724
Ng Soh Hoon	8,110,676	-	-	8,110,676
Indirect interests:				
Kok Hon Seng^	8,110,676	-	-	8,110,676
Lau Tee Tee @ Lau Kim Wah^	4,055,338	-	-	4,055,338
Ng Soh Hoon^	21,008,776	-	-	21,008,776

^ Deemed interest by virtue of Section 8 of the Companies Act 2016 held through spouse.

	Number of ESOS			
	Balance as at 1.6.2025/ Date of appointment	**Granted**	**Exercised**	**Balance as at 31.5.2026**
ESOS in the Company				
Direct interests:				
Kok Hon Seng	1,442,600	-	-	1,442,600
Lau Tee Tee @ Lau Kim Wah	1,442,000	-	-	1,442,000
Ng Soh Hoon	1,642,000	-	-	1,642,000
Philip Goh Teck Siang	300,000	-	-	300,000
Datuk Lee Chong Leng	300,000	-	-	300,000
Teng Tian Hee	1,442,000	-	-	1,442,000

By virtue of their interests in the ordinary shares of the Company, Kok Hon Seng, Lau Tee Tee @ Lau Kim Wah, Ng Soh Hoon and Teng Tian Hee are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

The other Directors holding office at the end of the financial year did not hold any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than:

(a) the transaction entered into in the ordinary course of business with a company in which certain Directors of the Company have substantial interests as disclosed in Note 23 to the financial statements; and

(b) the remuneration received by certain Directors from subsidiaries as Directors of the subsidiaries.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling any Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the share options granted pursuant to the ESOS.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 May 2026 were as follows:

	Group	**Company**
	RM	**RM**
Directors of the Company:		
Fees	630,000	490,000
Salaries, allowance and bonus	669,075	7,200
Contributions to defined contribution plan	126,648	-
Social security contributions	893	-
ESOS expenses	39,725	28,963
	1,466,341	526,163
Directors of the subsidiaries:		
Fees	40,000	-
	1,506,341	526,163

INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The amount of insurance premium borne by the Company for the financial year ended 31 May 2026 was RM22,000.

There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

ULTIMATE HOLDING COMPANY

The Directors regard Aurora Meadow Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company of the Company.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), retire at the forthcoming annual general meeting and do not wish to seek re-appointment.

Auditors' remuneration of the Group and the Company for the financial year ended 31 May 2026 were as follows:

	Group RM	Company RM
Statutory audit	139,500	41,400
Non-statutory audit	5,500	5,500
	145,000	46,900

Signed on behalf of the Board in accordance with a resolution of the Directors.

.....
Kok Hon Seng
Director

.....
Lau Tee Tee @ Lau Kim Wah
Director

Kuala Lumpur
11 September 2026

HPP HOLDINGS BERHAD (201801043588 (1305620-D))

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 110 to 157 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2026 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

.....	.....
Kok Hon Seng	**Lau Tee Tee @ Lau Kim Wah**
Director	Director

Kuala Lumpur
11 September 2026

STATUTORY DECLARATION

I, Mah Chen Wah (CA 22710), being the Officer primarily responsible for the financial management of HPP Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 110 to 157 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
11 September 2026) **Mah Chen Wah**

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HPP HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HPP Holdings Berhad, which comprise the statements of financial position as at 31 May 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 110 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2026 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

(a) Valuation of inventories of raw materials

As at 31 May 2026, the carrying amount of inventories of raw materials of the Group was RM4,367,273 as disclosed in Note 7 to the financial statements. During the financial year, the Group recognised a write down of inventories of raw materials amounting to RM372,926 as disclosed in Note 7(d) to the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HPP HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Key Audit Matters (continued)

Group (continued)

(a) Valuation of inventories of raw materials (continued)

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the carrying amount of inventories of raw materials in accordance with the Group's inventory policies, which are derived from assessment by management with reference to ageing and utilisation of these raw materials after the end of the reporting period to derive at the amount of write down of slow moving and obsolete inventories of raw materials.

Audit response

Our audit procedures included the following:

(i) Obtained an understanding of the procedures, controls and inventory policies in relation to the assessment by management on the identification and write down of slow-moving and obsolete inventories of raw materials;

(ii) Verified the accuracy of the ageing of raw materials by evaluating the age profile of the raw materials balance to the respective suppliers' delivery orders and invoices;

(iii) Analysed management's assessment in determining slow-moving and obsolete inventories of raw materials, which are aged more than two (2) years as set out in the Group's inventory policies in determining the amount of slow moving and obsolete inventories written.

(iv) For those raw materials within the above ageing brackets of more than two (2) years with no movement during the financial year, we evaluated the assessment by management by comparing the cost of raw materials to recent purchase invoices and/or verification of utilisation of these raw materials after the end of the reporting period.

(b) Impairment of trade receivables

As at 31 May 2026, trade receivables of the Group were RM21,912,254, which were net of impairment losses of RM350,317 as disclosed in Note 8 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward-looking information i.e. Gross Domestic Product ("GDP"), inflation rate, unemployment rate and consumer price index, and significant increase in credit risk.

Audit response

Our audit procedures included the following:

(i) Assessed the appropriateness of the model used and related input in arriving at the expected credit losses as at the end of the reporting period;

REPORTS AND FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HPP HOLDINGS BERHAD (continued) (Incorporated in Malaysia)

Key Audit Matters (continued)

Group (continued)

(b) Impairment of trade receivables (continued)

Audit response (continued)

(ii) Re-computed the probability of default using historical data and forward-looking information adjustment applied by the Group;

(iii) Re-computed the correlation coefficient between the macroeconomic indicators set by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group;

(iv) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and

(v) Assessed actual loss events after the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by the Group.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HPP HOLDINGS BERHAD (continued)
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements (continued)

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

REPORTS AND FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HPP HOLDINGS BERHAD (continued)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Chok Chau On
03583/08/2028 J
Chartered Accountant

Kuala Lumpur
11 September 2026

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	77,097,092	79,167,013	-	-
Investments in subsidiaries	6	-	-	96,826,233	66,881,104
		77,097,092	79,167,013	96,826,233	66,881,104
Current assets					
Inventories	7	8,404,935	10,061,883	-	-
Trade and other receivables	8	26,980,091	24,853,971	13,866	25,605,259
Current tax assets		2,702,326	3,182,162	29,254	32,441
Cash and cash equivalents	9	45,204,387	41,388,824	3,436,229	6,462,097
		83,291,739	79,486,840	3,479,349	32,099,797
TOTAL ASSETS		160,388,831	158,653,853	100,305,582	98,980,901
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	10	90,328,149	90,328,149	90,328,149	90,328,149
Reserves	11	(46,325,930)	(46,524,222)	8,126,070	7,927,778
Retained earnings		81,019,686	79,560,287	1,747,547	618,217
		125,021,905	123,364,214	100,201,766	98,874,144
Non-controlling interests		990,273	1,275,976	-	-
TOTAL EQUITY		126,012,178	124,640,190	100,201,766	98,874,144

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (continued)

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	12	24,606	77,366	-	-
Borrowings	13	17,664,827	13,287,861	-	-
Deferred tax liabilities	14	7,611,454	7,875,548	-	-
		25,300,887	21,240,775	-	-
Current liabilities					
Trade and other payables	15	7,535,965	11,190,997	103,816	106,757
Current tax liabilities		9,559	5,039	-	-
Lease liabilities	12	68,999	63,587	-	-
Borrowings	13	1,461,243	1,513,265	-	-
		9,075,766	12,772,888	103,816	106,757
TOTAL LIABILITIES		34,376,653	34,013,663	103,816	106,757
TOTAL EQUITY AND LIABILITIES		160,388,831	158,653,853	100,305,582	98,980,901

The accompanying notes form an integral part of the financial statements.

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2026

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
Revenue	16	64,670,822	64,097,709	5,795,000	2,400,000
Cost of sales		(48,906,388)	(52,624,995)	-	-
Gross profit		15,764,434	11,472,714	5,795,000	2,400,000
Other income		1,757,683	1,791,029	185,430	268,817
Selling and marketing expenses		(351,955)	(438,467)	(4,633)	(4,838)
Administrative expenses		(9,073,569)	(8,493,209)	(919,353)	(972,868)
Net (impairment losses)/ reversal of impairment losses on financial assets	18	(32,583)	16,843	-	-
Profit from operations		8,064,010	4,348,910	5,056,444	1,691,111
Finance costs	17	(695,856)	(754,215)	-	-
Profit before tax	18	7,368,154	3,594,695	5,056,444	1,691,111
Taxation	20	(2,307,692)	(1,682,318)	(40,310)	16,979
Profit for the financial year, representing total comprehensive income for the financial year		5,060,462	1,912,377	5,016,134	1,708,090
Profit for the financial year/ Total comprehensive income attributable to:					
Owners of the Company		5,346,165	2,181,018	5,016,134	1,708,090
Non-controlling interests		(285,703)	(268,641)	-	-
		5,060,462	1,912,377	5,016,134	1,708,090
Earnings per share attributable to owners of the Company (sen)					
- Basic	21	1.38	0.56		
- Diluted	21	1.37	0.56		

The accompanying notes form an integral part of the financial statements.

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2026

		------Non-distributable------			Distributable			
Group	Note	Share capital RM	Reserves RM	Total RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Balance as at 1 June 2025		90,328,149	(46,524,222)	43,803,927	79,560,287	123,364,214	1,275,976	124,640,190
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	5,346,165	5,346,165	(285,703)	5,060,462
Transactions with owners of the Company:								
Dividends paid	22	-	-	-	(3,886,804)	(3,886,804)	-	(3,886,804)
Employee Share Option Scheme ("ESOS") expenses	11(ii)(c)	-	198,330	198,330	-	198,330	-	198,330
Forfeiture of ESOS		-	(38)	(38)	38	-	-	-
Total transactions with owners of the Company		-	198,292	198,292	(3,886,766)	(3,688,474)	-	(3,688,474)
Balance as at 31 May 2026		90,328,149	(46,325,930)	44,002,219	81,019,686	125,021,905	990,273	126,012,178

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2026 (continued)

		-------Non-distributable-----		Distributable			
Group	Note	Share capital RM	Reserves RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Balance as at 1 June 2024		90,208,055	(47,499,356)	79,318,323	122,027,022	1,544,617	123,571,639
Profit for the financial year, representing total comprehensive income for the financial year		-	-	2,181,018	2,181,018	(268,641)	1,912,377
Transactions with owners of the Company:							
Dividends paid	22	-	-	(1,942,450)	(1,942,450)	-	(1,942,450)
Employee Share Option Scheme ("ESOS") expenses	11(ii)(c)	-	1,007,264	-	1,007,264	-	1,007,264
Issuance of ordinary shares pursuant to ESOS		120,094	(28,734)	-	91,360	-	91,360
Forfeiture of ESOS		-	(3,396)	3,396	-	-	-
Total transactions with owners of the Company		120,094	975,134	(1,939,054)	(843,826)	-	(843,826)
Balance as at 31 May 2025		90,328,149	(46,524,222)	79,560,287	123,364,214	1,275,976	124,640,190

The accompanying notes form an integral part of the financial statements.

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2026

		-------Non-distributable-----		Distributable	
Company	Note	Share capital RM	Reserves RM	Retained earnings RM	Total equity RM
Balance as at 1 June 2025		90,328,149	7,927,778	618,217	98,874,144
Profit for the financial year, representing total comprehensive income for the financial year		-	-	5,016,134	5,016,134
Transactions with owners of the Company					
Dividends paid	22	-	-	(3,886,804)	(3,886,804)
ESOS expenses	11(ii)(c)	-	198,330	-	198,330
Forfeiture of ESOS		-	(38)	-	(38)
Total of transactions with owners of the Company		-	198,292	(3,886,804)	(3,688,512)
Balance as at 31 May 2026		90,328,149	8,126,070	1,747,547	100,201,766
Balance as at 1 June 2024		90,208,055	6,952,644	851,469	98,012,168
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,708,090	1,708,090
Transactions with owners of the Company					
Dividends paid	22	-	-	(1,942,450)	(1,942,450)
ESOS expenses	11(ii)(c)	-	1,007,264	-	1,007,264
Forfeiture of ESOS		-	(3,396)	1,108	(2,288)
Issuance of ordinary shares pursuant to ESOS		120,094	(28,734)	-	91,360
Total of transactions with owners of the Company		120,094	975,134	(1,941,342)	(846,114)
Balance as at 31 May 2025		90,328,149	7,927,778	618,217	98,874,144

The accompanying notes form an integral part of the financial statements.

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2026

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		7,368,154	3,594,695	5,056,444	1,691,111
Adjustments for:					
Bad debt written off		16,842	-	-	-
Depreciation of property, plant and equipment	5	5,554,661	5,350,833	-	-
Dividend income	16	-	-	(5,795,000)	(2,400,000)
Employee share options scheme expenses	11(ii)(c)	198,330	1,007,264	28,963	183,796
Gain on disposal of property, plant and equipment	18	-	(24,999)	-	-
Gain on lease termination	12(c)	-	(3,618)	-	-
Impairment losses on:					
- property, plant and equipment	5(d)	211,700	94,500	-	-
- trade receivables	8(g)	73,314	29,674	-	-
Interest expense	17	695,856	754,215	-	-
Interest income	18	(1,017,965)	(1,176,853)	(185,430)	(268,776)
Inventories written down	7	404,871	116,890	-	-
Inventories written off	7	85,681	144,969	-	-
Property, plant and equipment written off		-	51,750	-	-
Reversal of impairment losses on trade receivables	8(g)	(40,731)	(46,517)	-	-
Unrealised loss on foreign exchange	18	52,542	165,262	-	-
Operating profit/(loss) before changes in working capital		13,603,255	10,058,065	(895,023)	(793,869)
Changes in working capital:					
Inventories		1,166,396	(581,834)	-	-
Trade and other receivables		(2,234,444)	(5,582,749)	249	2,095
Trade and other payables		(4,026,910)	913,361	(2,941)	(15,631)
Cash generated from/(used in) operations		8,508,297	4,806,843	(897,715)	(807,405)
Tax paid		(2,926,423)	(1,892,732)	(37,123)	(3,740)
Tax refunded		838,993	183,311	-	3,800
Net cash from/(used in) operating activities		6,420,867	3,097,422	(934,838)	(807,345)

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2026 (continued)

	Note	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to a subsidiary		-	-	-	(4,250,000)
Dividends received	16	-	-	5,795,000	2,400,000
Interest received		1,017,965	1,176,853	185,430	268,776
Placements in fixed deposits pledged to licensed banks		(13,504)	(14,653)	-	-
Purchase of property, plant and equipment	5(c)	(3,299,678)	(4,465,583)	-	-
Proceeds from disposal of property, plant and equipment		-	25,000	-	-
Repayments to ultimate holding company		(7,500)	(13,200)	-	-
Subscription of additional shares in a subsidiary	6(c)	-	-	(4,184,656)	-
Withdrawals of fixed deposits with maturity more than three (3) months		6,828,288	55,570	-	2,324,329
Net cash from/(used in) investing activities		4,525,571	(3,236,013)	1,795,774	743,105
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	22	(3,886,804)	(1,942,450)	(3,886,804)	(1,942,450)
Drawdown of term loan		5,918,076	246,673	-	-
Interest expense paid on:					
- borrowings		(688,092)	(739,537)	-	-
- lease liabilities	12	(7,764)	(14,678)	-	-
Payments of lease liabilities	12	(64,732)	(95,218)	-	-
Repayments of term loans		(1,593,132)	(2,700,669)	-	-
Proceeds from ordinary shares issued pursuant to ESOS exercised	10(a)	-	91,360	-	91,360
Net cash used in financing activities		(322,448)	(5,154,519)	(3,886,804)	(1,851,090)
Net increase/(decrease) in cash and cash equivalents		10,623,990	(5,293,110)	(3,025,868)	(1,915,330)
Effects of exchange rate changes on cash and cash equivalents held		6,357	(18,674)	-	-
Cash and cash equivalents at beginning of financial year		29,861,254	35,173,038	6,462,097	8,377,427
Cash and cash equivalents at end of financial year	9	40,491,601	29,861,254	3,436,229	6,462,097

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2026 (continued)

(a) Reconciliation of movements of liabilities to cash flows arising from financing activities:

Group	Borrowings (Note 13)	Lease liabilities (Note 12)
2026	**RM**	**RM**
At beginning of the financial year	14,801,126	140,953
Cash flows:		
- Drawdown	5,918,076	-
- Repayments of principal	(1,593,132)	(64,732)
- Repayments of interest	(688,092)	(7,764)
Non-cash flows:		
- Interest expense	688,092	7,764
- Lease modification	-	17,384
At end of the financial year	19,126,070	93,605
2025		
At beginning of the financial year	17,255,122	274,343
Cash flows:		
- Drawdown	246,673	-
- Repayments of principal	(2,700,669)	(95,218)
- Repayments of interest	(739,537)	(14,678)
Non-cash flows:		
- Interest expense	739,537	14,678
- Lease termination	-	(38,172)
At end of the financial year	14,801,126	140,953

(b) Material non-cash transactions

Material non-cash transactions taken into consideration in the preparation of the statement of cash flows are in respect of the capitalisation of an amount due from its wholly-owned subsidiaries, Hayan Prints (M) Sdn. Bhd., and Hayan Packaging Sdn. Bhd. amounting to RM24,491,144 and RM1,100,000 respectively, as additions to its investments in these subsidiaries as disclosed in Note 6(b) and Note 8(c) to the financial statements.

The accompanying notes form an integral part of the financial statements.

HPP HOLDINGS BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS
31 MAY 2026

1. CORPORATE INFORMATION

HPP Holdings Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 37, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka.

The consolidated financial statements for the financial year ended 31 May 2026 comprise the financial statements of the Company and its subsidiaries. These financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The Directors regard Aurora Meadow Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 11 September 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are printing, production and trading of paper-based packaging, including corrugated boxes, non-corrugated boxes, paper pulp moulded packaging and rigid boxes, and investment holding in real property. Further details of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of the adoption of Amendments to MFRSs during the financial year. The Amendments to MFRSs adopted during the financial year are disclosed in Note 27.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services. The reportable segments are summarised as follows:

Corrugated packaging	Printing and production of corrugated packaging
Non-corrugated packaging	Printing and production of non-corrugated packaging
Rigid boxes	Production and trading of rigid boxes
Paper pulp moulded packaging	Production of paper pulp product
Others	Printing and production of brochures, leaflets, labels, paper bags and investment holding

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Segment assets

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and current tax assets.

Segment liabilities

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and current tax liabilities.

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4. OPERATING SEGMENTS (continued)

	Corrugated packaging RM	Non-corrugated packaging RM	Rigid boxes RM	Paper pulp moulded packaging RM	Others RM	Adjustments and eliminations RM	Group RM
2026							
External revenue	17,878,278	32,776,959	1,339,295	5785,296	6,890,994	-	64,670,822
Inter-segment revenue	17,876	32,773	433,108	-	6,281,890	(6,765,647)	-
Total revenue	17,896,154	32,809,732	1,772,403	5,785,296	13,172,884	(6,765,647)	64,670,822
Results							
Depreciation of property, plant and equipment	1,859,482	2,771,364	185,547	836,017	474,242	(571,991)	5,554,661
ESOS expenses	-	-	-	-	198,330	-	198,330
Other non-cash expenses	222,327	407,601	16,655	71,944	85,692	-	804,219
Segment profit/(loss) from operations	4,109,247	7,398,962	(139,454)	1,346,196	1,144,059	(5,795,000)	8,064,010
Assets							
Additions to non-current assets	736,219	1,349,740	2,181	1,307,148	283,768	-	3,679,056
Segment assets	70,880,722	129,948,448	2,237,296	26,775,937	27,320,231	(99,476,129)	157,686,505
Liabilities							
Segment liabilities	4,874,414	8,936,457	218,990	11,603,709	1,878,792	(756,722)	26,755,640

4. OPERATING SEGMENTS (continued)

	Corrugated packaging RM	Non-corrugated packaging RM	Rigid boxes RM	Paper pulp moulded packaging RM	Others RM	Adjustments and eliminations RM	Group RM
2025							
External revenue	15,792,539	30,611,674	8,653,855	4,290,768	4,748,873	-	64,097,709
Inter-segment revenue	32,422	87,424	1,022,557	-	2,892,166	(4,034,569)	-
Total revenue	15,824,961	30,699,098	9,676,412	4,290,768	7,641,039	(4,034,569)	64,097,709
Results							
Depreciation of property, plant and equipment	1,582,465	3,141,852	231,779	652,126	314,602	(571,991)	5,350,833
ESOS expenses	-	-	-	-	1,007,264	-	1,007,264
Other non-cash expenses	130,068	252,119	71,274	35,339	39,111	-	527,911
Segment profit from operations	1,708,664	3,594,713	173,333	602,435	669,765	(2,400,000)	4,348,910
Assets							
Additions to non-current assets	324,456	628,914	43,540	3,822,149	97,564	-	4,916,623
Segment assets	61,901,421	119,987,425	3,057,233	25,927,594	18,613,979	(74,015,961)	155,471,691
Liabilities							
Segment liabilities	7,626,529	14,782,982	569,598	6,106,449	2,293,325	(5,245,807)	26,133,076

4. OPERATING SEGMENTS (continued)

(a) Inter-segment revenues are eliminated on consolidation.

(b) The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the consolidated statement of financial position.

(c) The inter-segment liabilities are adjusted against the segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

(d) Reportable segment profit or loss, assets and liabilities of the Group are as follows:

	Group	
	2026 RM	2025 RM
Profit for the financial year		
Segment profit from operations	8,064,010	4,348,910
Finance costs	(695,856)	(754,215)
Tax expense	(2,307,692)	(1,682,318)
Profit for the financial year as per statements of profit or loss and other comprehensive income	5,060,462	1,912,377
Other non-cash (income)/expenses		
Bad debt written off	16,842	-
Gain on disposal of property, plant and equipment	-	(24,999)
Gain on lease termination	-	(3,618)
Impairment losses on:		
- property, plant and equipment	211,700	94,500
- trade receivables	73,314	29,674
Inventories written down	404,871	116,890
Inventories written off	85,681	144,969
Property, plant and equipment written off	-	51,750
Reversal of impairment loss on trade receivables	(40,731)	(46,517)
Unrealised loss on foreign exchange	52,542	165,262
	804,219	527,911
Additions to non-current assets		
Property, plant and equipment	3,679,056	4,916,623
Assets		
Segments assets	157,686,505	155,471,691
Current tax assets	2,702,326	3,182,162
Total assets	160,388,831	158,653,853
Liabilities		
Segments liabilities	26,755,640	26,133,076
Deferred tax liabilities	7,611,454	7,875,548
Current tax liabilities	9,559	5,039
Total liabilities	34,376,653	34,013,663

4. OPERATING SEGMENTS (continued)

(e) Geographical segments

Segment information relating to geographical areas of operation has not been presented as the Group operates only in Malaysia.

(f) Major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	Group	
	2026	**2025**
	RM	**RM**
Customer A	8,508,036	-
Customer B	7,042,924	8,964,374
Customer C	-	7,626,256

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5. PROPERTY, PLANT AND EQUIPMENT

Group	[-------- *Right-of-use assets*--------]					
	Buildings	**Plant and machinery**	**Motor vehicles**	**Office equipment and others***	**Renovation**	**Leasehold land**	**Buildings**	**Motor vehicles**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
2026									
Cost									
At beginning of the financial year	29,215,775	65,609,483	2,637,292	3,440,840	633,402	16,166,695	46,070	271,460	118,021,017
Additions	1,192,630	2,228,918	48,000	181,778	27,730	-	-	-	3,679,056
Disposals	-	-	-	(28,900)	-	-	-	-	(28,900)
Written off	-	-	-	-	-	-	(35,514)	-	(35,514)
Lease modification	-	-	-	-	-	-	17,384	-	17,384
At end of the financial year	30,408,405	67,838,401	2,685,292	3,593,718	661,132	16,166,695	27,940	271,460	121,653,043
Accumulated depreciation and impairment losses									
At beginning of the financial year	2,155,499	31,154,108	2,188,015	1,870,946	216,979	1,089,124	34,554	144,779	38,854,004
Charge for the financial year	609,518	4,166,627	150,494	285,414	64,265	210,445	13,606	54,292	5,554,661
Disposals	-	-	-	(28,900)	-	-	-	-	(28,900)
Impairment losses	-	211,700	-	-	-	-	-	-	211,700
Written off	-	-	-	-	-	-	(35,514)	-	(35,514)
At end of the financial year	2,765,017	35,532,435	2,338,509	2,127,460	281,244	1,299,569	12,646	199,071	44,555,951
Net carrying amount	27,643,388	32,305,966	346,783	1,466,258	379,888	14,867,126	15,294	72,389	77,097,092

* *Office equipment and others comprise signboard, tools and equipment, computers, furniture and fittings and air conditioners.*

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group							[--------- *Right-of-use assets*---------]			
2025	**Buildings RM**	**Plant and machinery RM**	**Motor vehicles RM**	**Office equipment and others* RM**	**Renovation RM**	**Capital-work-in progress RM**	**Leasehold land RM**	**Buildings RM**	**Motor vehicles RM**	**Total RM**
Cost										
At beginning of the financial year	19,542,331	64,259,091	2,576,942	3,260,724	531,680	7,383,583	16,150,963	184,280	271,460	114,161,054
Additions	156,799	2,040,392	288,800	180,116	101,722	2,133,062	15,732	-	-	4,916,623
Disposals	-	-	(228,450)	-	-	-	-	-	-	(228,450)
Written off	-	(690,000)	-	-	-	-	-	-	-	(690,000)
Lease termination	-	-	-	-	-	-	-	(138,210)	-	(138,210)
Reclassification	9,516,645	-	-	-	-	(9,516,645)	-	-	-	-
At end of the financial year	29,215,775	65,609,483	2,637,292	3,440,840	633,402	-	16,166,695	46,070	271,460	118,021,017
Accumulated depreciation and impairment losses										
At beginning of the financial year	1,658,018	27,670,678	2,244,661	1,586,467	157,896	-	878,679	92,140	90,487	34,379,026
Charge for the financial year	497,481	4,027,180	171,803	284,479	59,083	-	210,445	46,070	54,292	5,350,833
Disposals	-	-	(228,449)	-	-	-	-	-	-	(228,449)
Written off	-	(638,250)	-	-	-	-	-	-	-	(638,250)
Impairment losses	-	94,500	-	-	-	-	-	-	-	94,500
Lease termination	-	-	-	-	-	-	-	(103,656)	-	(103,656)
At end of the financial year	2,155,499	31,154,108	2,188,015	1,870,946	216,979	-	1,089,124	34,554	144,779	38,854,004
Net carrying amount	27,060,276	34,455,375	449,277	1,569,894	416,423	-	15,077,571	11,516	126,681	79,167,013

* *Office equipment and others comprise signboard, tools and equipment, computers, furniture and fittings and air conditioners.*

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) All items of property, plant and equipment excluding right-of-use assets are initially measured at cost. After initial recognition, property, plant and equipment excluding right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on property, plant and equipment excluding right-of-use assets is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Plant and machinery	6% - 10%
Motor vehicles	20%
Office equipment and others*	10% - 20%
Renovation	10%

* *Office equipment and others comprise signboard, tools and equipment, computers, furniture and fittings and air conditioners.*

Capital work-in-progress represented by the factory included under in property, plant and equipment and was not depreciated as the factory was not yet available for use.

The useful lives and residual values of property, plant and equipment are estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

(b) Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	Over the remaining periods of 74 to 88 years
Buildings	Over the period of 4 years
Motor vehicles	Over the period of 5 years

(c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2026 RM	**2025 RM**
Additions of property, plant and equipment	3,679,056	4,916,623
Unsettled and remained as other payables	(379,378)	(451,040)
Cash payments on purchases of property, plant and equipment	3,299,678	4,465,583

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) The Group assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs"). Management considered the continued losses generated in an operating subsidiary in the current financial year as an impairment indicator.

The recoverable amounts of the CGUs are determined based on value-in-use calculations using cash flows projections derived from financial budgets approved by management.

Management has exercised judgement and made estimates about the future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate.

The pre-tax discount rate applied in determining the recoverable amounts of the CGU was 7.54% (2025: 7.54%).

During the financial year, management has determined that the recoverable amounts of certain property, plant and equipment are lower than their carrying amounts due to declining business operations. Accordingly, the Group has recognised impairment losses on certain property, plant and equipment amounted to RM211,700 (2025: RM94,500) within administrative expenses in the statements of profit or loss and other comprehensive income.

(e) Certain property, plant and equipment of the Group have been pledged as securities for borrowings granted to the Group as disclosed in Note 13 to the financial statements with carrying amounts as follows:

	Group	
	2026	**2025**
	RM	**RM**
Leasehold land	10,400,192	10,546,942
Buildings	22,668,453	22,342,729
Plant and machinery	9,540,727	10,707,406
	42,609,372	43,597,077

(f) The leasehold land of the Group have unexpired lease periods of 70 years to 71 years (2025: 71 years to 72 years).

6. INVESTMENTS IN SUBSIDIARIES

		Company	
		2026	**2025**
		RM	**RM**
Unquoted shares, at cost			
As at beginning of financial year		59,952,000	59,952,000
Capitalisation of amount due from a subsidiary	(b)	25,591,144	-
Subscription of additional shares in Hayan Prints (M) Sdn. Bhd.	(c)	4,184,656	-
As at end of financial year		89,727,800	59,952,000
Capital contribution to subsidiaries			
As at beginning of financial year		6,929,104	6,107,924
Forfeiture of ESOS		(38)	(2,288)
ESOS expenses (Note 11(ii)(c))		169,367	823,468
As at end of financial year		7,098,433	6,929,104
Net carrying amount		96,826,233	66,881,104

6. INVESTMENTS IN SUBSIDIARIES

(a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less any accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(b) During the financial year, the Company capitalised amounts due from its wholly-owned subsidiaries, Hayan Prints (M) Sdn. Bhd., and Hayan Packaging Sdn. Bhd. amounting to RM24,491,144 and RM1,100,000 respectively, as additions to its investments in these subsidiaries. In consideration for these capitalisations, Hayan Prints (M) Sdn. Bhd., issued 24,491,144 new ordinary shares and Hayan Packaging Sdn. Bhd. issued 1,100,000 new ordinary shares to the Company at an issue price equivalent to the capitalised debts. The carrying amounts of the receivables approximated their fair values at the dates of capitalisation as disclosed in Note 8(c) to the financial statements, and no gain or loss was recognised in profit or loss.

(c) During the financial year, the Company subscribed to an additional 4,184,656 ordinary shares in Hayan Print (M) Sdn. Bhd. for a total cash consideration of RM4,184,656.

(d) Capital contribution to subsidiaries

The capital contribution amounting to RM169,367 (2025: RM823,468) represents ESOS granted by the Company to the employees of its subsidiaries and is treated as additional cost of its investments in the subsidiaries.

(e) Details of the subsidiaries are as follows:

Name of company	**Country of incorporation/ Principal place of business**	**Effective equity interest**		**Principal activities**
		2026	**2025**	
		%	**%**	
Hayan Prints (M) Sdn. Bhd.	Malaysia	100	100	Printing and production of paper-based packaging, including corrugated boxes, non-corrugated boxes, paper pulp moulded packaging and trading of rigid boxes
Hayan Packaging Sdn. Bhd.	Malaysia	100	100	Investment holding in real property
Held through Hayan Prints (M) Sdn. Bhd.				
Envy Premium Box Supplies Sdn. Bhd.	Malaysia	51	51	Production and trading of rigid boxes
Held through Hayan Packaging Sdn. Bhd.				
Big Tree Realty Sdn. Bhd.	Malaysia	100	100	Investment holding in real property

6. INVESTMENTS IN SUBSIDIARIES (continued)

(f) Summarised information of a company with non-controlling interest ("NCI") that is material to the Group is set out below.

	2026	2025
Envy Premium Box Supplies Sdn. Bhd. ("Envy")		
NCI percentage of ownership and voting interest (%)	49%	49%
Carrying amount of NCI (RM)	990,273	1,275,976
Loss for the financial year allocated to NCI, representing total comprehensive loss for the financial year allocated to NCI (RM)	(285,703)	(268,641)

(g) Summarised financial information before inter-company elimination of the Group's subsidiary that has NCI is as follows:

	2026 RM	2025 RM
Envy Premium Box Supplies Sdn. Bhd.		
Assets and liabilities		
Non-current assets	224,955	710,885
Current assets	2,126,642	2,571,615
Non-current liabilities	(77,983)	(188,498)
Current liabilities	(141,001)	(381,100)
Net assets	2,132,613	2,712,902
Less: Contribution from intermediate holding company	(111,647)	(108,876)
Adjusted net assets	2,020,966	2,604,026
Results		
Revenue	868,234	1,522,629
Loss for the financial year, representing total comprehensive loss for the financial year	(583,067)	(548,247)
Cash flows (used in)/from operating activities	(67,196)	237,977
Cash flows from/(used in) investing activities	125,016	(89,610)
Cash flows used in financing activities	(267,666)	(342,120)
Net decrease in cash and cash equivalents	(209,846)	(193,753)

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7. INVENTORIES

	Group	
	2026 RM	2025 RM
At cost		
Raw materials	3,322,114	3,738,257
Work-in-progress	1,692,489	1,627,401
Finished goods	2,327,723	2,854,977
	7,342,326	8,220,635
At net realisable value		
Raw materials	1,045,159	1,791,854
Finished goods	17,450	49,394
	1,062,609	1,841,248
	8,404,935	10,061,883
Recognised in profit or loss:		
Inventories written down	404,871	116,890
Inventories written off	85,681	144,969

(a) Inventories are stated at the lower of cost and net realisable value.

(b) Cost is determined on a first in, first out basis. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present condition and location.

(c) During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM48,268,574 (2025: RM52,262,968).

(d) The Group writes down its slow moving and obsolete inventories of raw materials when commercial circumstances indicate that the carrying amounts may not be recoverable. Management exercises significant judgements and made estimates in writing down inventories of raw materials by analysing ageing of inventories of raw materials of more than two (2) years as set out in the Group's inventories policies and identifying inventories within the above ageing brackets of more than two (2) years with no movement during the financial year. Where expectations differ from the original estimates, the differences would impact the carrying amounts of inventories of raw materials. During the financial year, the Group has written down an amount of RM372,926 (2025: RM97,485) of the carrying value of inventories of raw materials due to slow moving and obsolete inventories.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Trade receivables				
Third parties	22,262,571	20,377,550	-	-
Less: Impairment losses	(350,317)	(317,734)	-	-
	21,912,254	20,059,816	-	-
Other receivables				
Third parties	30,964	93,731	-	-
Amounts due from subsidiaries	-	-	-	25,591,144
Deposits	4,795,635	4,462,117	-	-
	4,826,599	4,555,848	-	25,591,144
Total current receivables, net of prepayments	26,738,853	24,615,664	-	25,591,144
Prepayments	241,238	238,307	13,866	14,115
Total trade and other receivables	26,980,091	24,853,971	13,866	25,605,259

8. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade and other receivables excluding prepayments are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranges from 30 to 90 days (2025: 30 to 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(c) During the financial year, the Company capitalised amounts due from its wholly-owned subsidiaries, Hayan Prints (M) Sdn. Bhd., and Hayan Packaging Sdn. Bhd. amounting to RM24,491,144 and RM1,100,000 respectively, as additions to its investments in these subsidiaries as disclosed in Note 6(b) to the financial statements. In consideration for these capitalisations, Hayan Prints (M) Sdn. Bhd., issued 24,491,144 new ordinary shares and Hayan Packaging Sdn. Bhd. issued 1,100,000 new ordinary shares to the Company at an issue price equivalent to the capitalised debts. The carrying amounts of the receivables approximated their fair values at the dates of capitalisation, and no gain or loss was recognised in profit or loss.

(d) Included in deposits of the Group are deposits of RM4,062,931 paid in relation to underground electricity cabling and for purchase of machinery. In 2025, included in deposits of the Group were utility deposits of RM3,788,560 in relation to solar installation and underground electricity cabling.

(e) Impairment for trade receivables is recognised based on the simplified approach in accordance with MFRS 9 *Financial Instruments* and measures the allowance for impairment loss based on a lifetime expected credit loss ("ECL") from initial recognition.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group assesses the expected credit losses of trade receivables using flow-rate method based on historical credit loss experience and observable data such as current changes and future forecasts in economic conditions. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly. Individual assessment of impairment of trade receivables is separately assessed when it is probable that cash due will not be received in full.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information (i.e. Gross Domestic Product ("GDP"), inflation rate, unemployment rate and consumer price index) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables is separately assessed when it is probable that cash due will not be received in full.

Significant judgement is required in determining the probability of default by trade receivables and appropriate forward looking information.

8. TRADE AND OTHER RECEIVABLES (continued)

(f) The following tables provide information about expected credit losses for trade receivables as at the end of the reporting period:

Group	Gross RM	Impairment losses RM	Net RM
2026			
Current	15,444,170	(66)	15,444,104
Past due:			
1 to 30 days	3,069,979	(1,011)	3,068,968
31 to 60 days	2,395,730	(16,460)	2,379,270
61 to 90 days	1,294,354	(274,442)	1,019,912
More than 90 days	45,854	(45,854)	
	6,805,917	(337,767)	6,468,150
Credit impaired			
Individually impaired	12,484	(12,484)	
	22,262,571	(350,317)	21,912,254
2025			
Current	17,383,042	(11)	17,383,031
Past due:			
1 to 30 days	1,460,465	(136)	1,460,329
31 to 60 days	1,031,294	(3,055)	1,028,239
61 to 90 days	261,519	(73,302)	188,217
More than 90 days	211,904	(211,904)	-
	2,965,182	(288,397)	2,676,785
Credit impaired			
Individually impaired	29,326	(29,326)	-
	20,377,550	(317,734)	20,059,816

(g) The reconciliation of movements in the impairment losses on trade receivables is as follows:

Group	Lifetime ECL allowance RM	Credit impaired RM	Total allowance RM
At 1 June 2025	288,408	29,326	317,734
Charge for the financial year	73,314	-	73,314
Reversal of impairment losses	(23,889)	(16,842)	(40,731)
At 31 May 2026	337,833	12,484	350,317
At 1 June 2024	322,093	12,484	334,577
Charge for the financial year	12,832	16,842	29,674
Reversal of impairment losses	(46,517)	-	(46,517)
At 31 May 2025	288,408	29,326	317,734

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

8. TRADE AND OTHER RECEIVABLES (continued)

(h) The amounts due from subsidiaries were non-trade in nature, unsecured, interest free and were collectible on demand.

(i) Impairment for other receivables and deposits (2025 included amounts due from subsidiaries) are based on general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ("12-month") expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes debtors who are in significant financial difficulties or have defaulted on payments.

The probabilities of non-payment by other receivables and deposits (2025 included amounts due from subsidiaries) are adjusted by forward looking information (i.e. Gross Domestic Product ("GDP"), inflation rate, unemployment rate and consumer price index) and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss.

Significant judgement is required in determining the probabilities of default by other receivables (2025 included amounts due from subsidiaries), appropriate forward looking information and significant increase in credit risk.

No expected credit loss is recognised arising from the other receivables and deposits (2025 included amounts due from subsidiaries) of the Group and of the Company as the amount is negligible.

(j) The currency exposure profiles of trade and other receivables, excluding prepayments are as follows:

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Ringgit Malaysia ("RM")	19,646,764	19,931,962	-	25,591,144
United States Dollar ("USD")	5,907,718	4,676,172	-	-
Renminbi ("RMB")	1,184,371	-	-	-
Singapore Dollar ("SGD")	-	7,530	-	-
	26,738,853	24,615,664	-	25,591,144

8. TRADE AND OTHER RECEIVABLES (continued)

(k) The following table demonstrates the sensitivity of the profit after tax and equity of the Group to a reasonably possible change in the USD, RMB and SGD exchange rates against the functional currency of the Group, with all other variables held constant:

	Profit after tax		Equity	
	2026	2025	2026	2025
Group	RM	RM	RM	RM
USD/RM				
- strengthened 10% (2025 :10%)	448,987	355,389	-	-
- weakened 10% (2025 :10%)	(448,987)	(355,389)	-	-
RMB/RM				
- strengthened 10% (2025 :10%)	90,012	-	-	-
- weakened 10% (2025 :10%)	(90,012)	-	-	-
SGD/RM				
- strengthened 10% (2025 :10%)	-	572	-	-
- weakened 10% (2025 :10%)	-	(572)	-	-

(l) The Group and Company determines concentration of credit risk by monitoring the profiles of its receivables on an ongoing basis.

As at end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by six (6) (2025: six (6)) customers, which constituted approximately 68% (2025: 59%) of gross trade receivables of the Group. The Company does not have any significant concentration of credit risk related to any individual customer or counterparty as at the end of the reporting period. As at the end of the previous reporting period, the Company had major concentration of credit risk relating to amounts due from subsidiaries of RM25,591,144.

(m) As the Group does not hold any collateral, the maximum exposure to credit risk from receivables represented by the carrying amounts in the statements of financial position as at end of the reporting period.

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Fixed deposits with licensed banks	4,912,787	12,027,570	-	-
Short-term funds	28,010,998	19,475,578	2,946,367	5,961,870
Cash and bank balances	12,280,602	9,885,676	489,862	500,227
As disclosed in statements of financial positions	45,204,387	41,388,824	3,436,229	6,462,097
Less:				
Fixed deposits with maturity period more than three (3) months	(4,132,028)	(10,960,316)	-	-
Fixed deposits pledged as security	(580,758)	(567,254)	-	-
Cash and cash equivalents included in the statements of cash flows	40,491,601	29,861,254	3,436,229	6,462,097

9. CASH AND CASH EQUIVALENTS (continued)

(a) Cash and cash equivalents (excluding short-term funds) are classified as financial assets and measured at amortised cost.

(b) Fixed deposits are made for varying periods of between one (1) day and one (1) year depending on the immediate cash requirements of the Group and the Company and earn interests as at respective short-term deposit rates.

(c) Included in fixed deposits of the Group is an amount of RM580,758 (2025: RM567,254), which is pledged to licensed banks for borrowings as disclosed in Note 13 to the financial statements.

Short-term funds represent investments in highly liquid money market instrument and deposits with financial institutions in Malaysia. The short-term funds are subject to insignificant risk of change in value. The distribution income from these funds are tax exempted and are being treated as interest income by the Group and the Company.

Short-term funds of the Group and of the Company are classified as financial assets at fair value through profit or loss and are categorised as Level 1 in the fair value hierarchy. Fair value of short-term funds is determined by reference to the quoted prices at the close of business at the end of each reporting period.

There is no transfer between levels in the fair value hierarchy during the financial year.

(d) The currency exposure profile of the cash and cash equivalents is as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Ringgit Malaysia ("RM")	41,598,371	40,308,305	3,436,229	6,462,097
United States Dollar ("USD")	3,498,287	1,080,519	-	-
Singapore Dollar ("SGD")	107,729	-	-	-
	45,204,387	41,388,824	3,436,229	6,462,097

(e) The following table demonstrates the sensitivity of the profit after tax and equity of the Group to a reasonably possible change in the USD and SGD exchange rates against the functional currency of the Group, with all other variables held constant:

	Profit after tax		Equity	
Group	2026 RM	2025 RM	2026 RM	2025 RM
USD/RM				
- strengthened 10% (2025 :10%)	265,870	82,119	-	-
- weakened 10% (2025 :10%)	(265,870)	(82,119)	-	-
SGD/RM				
- strengthened 10% (2025 :10%)	8,187	-	-	-
- weakened 10% (2025 :10%)	(8,187)	-	-	-

(f) Weighted average effective interest rate of fixed deposits with licensed banks of the Group and of the Company as at the end of each reporting period is as follows:

	Group		Company	
	2026 %	2025 %	2026 %	2025 %
Fixed rate	3.33	3.81	-	-

9. CASH AND CASH EQUIVALENTS (continued)

(g) Sensitivity analysis of interest rate risk for fixed deposits with licensed banks as at the end of reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

(h) No expected credit loss is recognised arising from bank balances, fixed deposits with licensed banks and short-term funds as the probability of default by these financial institutions are negligible.

10. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2026	2025	2026 RM	2025 RM
Issued and fully paid:				
Ordinary shares with no par value				
At beginning of the financial year	388,680,300	388,430,000	90,328,149	90,208,055
Issuance of ordinary share pursuant to ESOS exercised	-	250,300	-	120,094
At end of the financial year	388,680,300	388,680,300	90,328,149	90,328,149

(a) During the previous financial year, the issued and fully paid-up ordinary share capital of the Company was increased from 388,430,000 ordinary shares to 388,680,300 ordinary shares by way of issuance of 250,300 new ordinary shares pursuant to option exercised under the Employees' Share Option Scheme ("ESOS") at exercise price of RM0.365 per ordinary share for cash totalling of RM91,360.

(b) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

11. RESERVES

		Group		Company	
	Note	2026 RM	2025 RM	2026 RM	2025 RM
Restructuring reserve	(i)	(54,452,000)	(54,452,000)	-	-
Share options reserves ("ESOS")	(ii)	8,126,070	7,927,778	8,126,070	7,927,778
		(46,325,930)	(46,524,222)	8,126,070	7,927,778

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11. RESERVES (continued)

(i) Restructuring reserve (continued)

The restructuring reserve comprises the difference between cost of investment recorded by the Company and the share capital of Hayan Prints (M) Sdn. Bhd. and Hayan Packaging Sdn. Bhd. arose from the restructuring exercise, which was completed in financial year ended 31 May 2021, whereby the Group has applied the pooling of interest method of accounting as follows:

	RM
New shares issued by the Company as consideration for the acquisition of subsidiaries:	
- Hayan Prints (M) Sdn. Bhd. and its subsidiary	53,951,000
- Hayan Packaging Sdn. Bhd. and its subsidiary	6,001,000
	59,952,000
Reversal of issued and paid-up share capital (Contributed Capital):	
- Hayan Prints (M) Sdn. Bhd. and its subsidiary	(3,000,000)
- Hayan Packaging Sdn. Bhd. and its subsidiary	(2,500,000)
	(5,500,000)
Restructuring reserve	54,452,000

(ii) ESOS

The option prices and the details in the movements of the options granted are as follows:

Grant date	Expiry date	Exercise price RM	As at 1 June 2025 Unit	Granted Unit	Exercised Unit	Forfeited Unit	As at 31 May 2026 Unit
18.11.2021	2.11.2026	0.468	35,118,800	-	-	(7,800)	35,111,000
15.07.2024	2.11.2026	0.365	2,749,700	-	-	-	2,749,700
			37,868,500	-	-	(7,800)	37,860,700

Grant date	Expiry date	Exercise price RM	As at 1 June 2024 Unit	Granted Unit	Exercised Unit	Forfeited Unit	As at 31 May 2025 Unit
18.11.2021	2.11.2026	0.468	35,311,200	-	-	(192,400)	35,118,800
15.07.2024	2.11.2026	0.365	-	3,000,000	(250,300)	-	2,749,700
			35,311,200	3,000,000	(250,300)	(192,400)	37,868,500

On 15 July 2024, the Company granted 3,000,000 share options under the ESOS plan at an option price of RM0.365 per ordinary share in accordance with the terms and conditions of the By-Laws.

The number of share options exercisable as at the end of the reporting period are as follows:

	2026 Unit	2025 Unit
Exercisable as at 31 May	34,609,325	27,592,643

11. RESERVES (continued)

(ii) ESOS (continued)

(a) The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options over the vesting period of five (5) years.

(b) At an Extraordinary General Meeting held on 29 October 2021, the Company's shareholders approved the establishment of ESOS of up to 15% of the total number of issued ordinary shares of the Company at any point in time during the existence of ESOS. The ESOS shall be in force for a period of five (5) years and the ESOS options are exercisable from 18 November 2021 in accordance to the respective vesting period up to the date of expiry of the ESOS.

The salient features of the ESOS are as follows:

(i) Eligible persons are employees and/or Directors of the Company and its subsidiaries who have been confirmed in the employment of the Company and its subsidiaries;

(ii) The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 15% of the total number of issued share capital of the Company at any point in time;

(iii) The option may be exercised by the option holders by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS;

(iv) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company, provided always that new ordinary shares so allotted and issued, will not be entitled to any dividends, rights, allotments and/or other distributions declared, where the entitlement date of which is prior to date of allotment and issuance of the new ordinary shares; and

(v) The vesting conditions are determined by the Group's ESOS committee.

(c) Expenses arising from the share options granted are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Recognition of share option expenses	198,330	1,007,264	198,330	1,007,264
Less: Capitalised as investments in subsidiaries (Note 6)	-	-	(169,367)	(823,468)
	198,330	1,007,264	28,963	183,796

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11. RESERVES (continued)

(ii) ESOS (continued)

(d) The fair value of ESOS granted was estimated using the Trinomial Option Pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at the respective grant dates and the assumptions were as follows:

	Granted on 15 July 2024	Granted on 18 November 2021
Fair value at grant date (RM)	0.11	0.22
Weighted average share price at grant date	0.417	0.510
Exercise price (RM)	0.365	0.468
Risk-free interest (%)	3.403	3.021
Expected volatility (%)	40.89	43.18
Expected life (years)	2	5

The expected volatility reflected the assumption that the historical volatility was indicative of future trends, which might not necessarily be the actual outcome. No other feature of the option was incorporated into the measurement of fair value.

12. LEASE LIABILITIES

Group **31.5.2026**	Buildings RM	Motor vehicles RM	Total RM
As at 1 June 2025	12,720	128,233	140,953
Lease modification	17,384	-	17,384
Payments of:			
- Principal	(13,866)	(50,866)	(64,732)
- Interest expense	(1,534)	(6,230)	(7,764)
Interest expense	1,534	6,230	7,764
As at 31 May 2026	16,238	77,367	93,605
31.5.2025			
As at 1 June 2024	98,424	175,919	274,343
Lease termination	(38,172)	-	(38,172)
Payments of:			
- Principal	(47,532)	(47,686)	(95,218)
- Interest expense	(5,268)	(9,410)	(14,678)
Interest expense	5,268	9,410	14,678
As at 31 May 2025	12,720	128,233	140,953

12. LEASE LIABILITIES (continued)

	Group 2026 RM	Group 2025 RM
Represented by:		
Current liabilities	68,999	63,587
Non-current liabilities	24,606	77,366
	93,605	140,953
Lease liabilities owing to non-financial institutions	16,238	12,720
Lease liabilities owing to a financial institution	77,367	128,233
	93,605	140,953

(a) The Group leases residential properties, as well as motor vehicles. These leases comprise only fixed payments over the lease terms.

(b) The Group has certain leases of assets with lease term of 12 months or less and low-value of leases of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(c) The following are the amounts recognised in profit or loss:

	Group 2026 RM	Group 2025 RM
Included in cost of sales:		
Depreciation charge of right-of-use assets	184,199	184,199
Expense relating to short-term leases	133,698	46,766
Included in administrative expenses:		
Depreciation charge of right-of-use assets	94,144	126,608
Expense relating to leases of low-value assets	4,568	3,228
Included in finance costs:		
Interest expense on lease liabilities	7,764	14,678
Included in other income:		
Gain on lease termination	-	(3,618)
	424,373	371,861

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12. LEASE LIABILITIES (continued)

(d) Total cash outflow for leases of the Group are as follows:

	Group	
	2026	2025
	RM	RM
Included in net cash used in operating activities:		
Payments relating to low value assets	4,568	3,228
Payments relating to short-term leases	133,698	46,766
Included in net cash used in financing activities:		
Payments of lease liabilities	64,732	95,218
Payments of lease interests	7,764	14,678
Total cash outflow for leases	210,762	159,890

(e) The following tables set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum	On demand or within one year	One to two years	Two to five years	Total
	%	RM	RM	RM	RM
2026					
Fixed rate					
Lease liabilities	6.30	68,999	24,606	-	93,605
2025					
Fixed rate					
Lease liabilities	6.24	63,587	53,963	23,403	140,953

(f) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one year	One to five years	Total
	RM	RM	RM
2026			
Lease liabilities	72,696	25,035	97,731
2025			
Lease liabilities	70,296	80,831	151,127

(g) Sensitivity analysis of the effect of the changes in interest rate is not presented as fixed rate instruments are not affected by change in interest rates.

(h) Lease liabilities of the Group are denominated in Ringgit Malaysia ("RM").

13. BORROWINGS

	Group		Company	
	2026	2025	2026	2025
	RM	RM	RM	RM
Current liabilities				
Term loans	1,461,243	1,513,265	-	-
Financial guarantee contracts	-	-	-*	-*
	1,461,243	1,513,265		-
Non-current liabilities				
Term loans	17,664,827	13,287,861	-	-
Total borrowings	19,126,070	14,801,126	-	-

** Amount is negligible.*

(a) Borrowings are classified as financial liabilities and measured at amortised cost.

(b) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

(i) the amount of the loss allowance; and

(ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

The financial guarantee contracts have not been recognised since the fair value on initial recognition was not material as the guarantees are provided as credit enhancements to the secured borrowings of the subsidiaries.

(c) Borrowings of the Group are secured as follows:

(i) Legal charges over certain property, plant and equipment as disclosed in Note 5 to the financial statements;

(ii) Pledge of fixed deposits with licensed banks as disclosed in Note 9 to the financial statements; and

(iii) Corporate guarantee in favour of the bank by the Company.

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13. BORROWINGS (continued)

(d) The following tables set out the carrying amounts, the weighted average effective interest rate as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum	On demand or within one year	One to two years	Two to five years	Over five years	Total
2026	**%**	**RM**	**RM**	**RM**	**RM**	**RM**
Floating rate						
Term loans	4.89	1,461,243	1,527,451	5,026,208	11,111,168	19,126,070
2025						
Floating rate						
Term loans	4.54	1,513,265	1,160,011	3,819,170	8,308,680	14,801,126

(e) Sensitivity analysis of interest rate for the floating rate instruments at the end of each reporting period, assuming all other variables remain constant, is as follows:

	Profit after tax		Equity	
Group	**2026**	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Effect of 100 basis point				
Floating rate instrument	145,358	112,489	-	-

(f) The table below summarises the maturity profile of the borrowings of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	On demand or within one year	One to five years	Over five years	Total
	RM	**RM**	**RM**	**RM**
2026				
Term loans	2,265,588	9,062,352	12,503,521	23,831,461
2025				
Term loans	2,143,657	6,935,808	9,782,190	18,861,655
Company				
2026				
Financial guarantee contracts	23,831,461	-	-	23,831,461
2025				
Financial guarantee contracts	18,861,655	-	-	18,861,655

(g) Borrowings of the Group are denominated in Ringgit Malaysia ("RM").

14. DEFERRED TAX LIABILITIES

	Group	
	2026	**2025**
	RM	**RM**
At beginning of the financial year	7,875,548	7,870,710
Recognised in profit or loss (Note 20)	(264,094)	4,838
At end of the financial year	7,611,454	7,875,548
Presented after appropriate offsetting:		
Deferred tax liabilities, net	7,611,454	7,875,548

(a) The components of deferred tax assets and deferred tax liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Unabsorbed capital allowances	Unused tax losses	Others	Total
	RM	**RM**	**RM**	**RM**
As at 1 June 2025	(53,276)	(69,293)	(190,973)	(313,542)
Recognised in profit or loss	35,078	69,293	(143,032)	(38,661)
As at 31 May 2026 prior to offsetting	(18,198)	-	(334,005)	(352,203)
Offsetting				352,203
As at 31 May 2026				-
As at 1 June 2024	(38,920)	(121,050)	(218,411)	(378,381)
Recognised in profit or loss	(14,356)	51,757	27,438	64,839
As at 31 May 2025 prior to offsetting	(53,276)	(69,293)	(190,973)	(313,542)
Offsetting				313,542
As at 31 May 2025				-

Deferred tax liabilities of the Group

	Property, plant and equipment	Total
	RM	**RM**
As at 1 June 2025	8,189,090	8,189,090
Recognised in profit or loss	(225,433)	(225,433)
As at 31 May 2026 prior to offsetting	7,963,657	7,963,657
Offsetting		(352,203)
As at 31 May 2026		7,611,454
As at 1 June 2024	8,249,091	8,249,091
Recognised in profit or loss	(60,001)	(60,001)
As at 31 May 2025 prior to offsetting	8,189,090	8,189,090
Offsetting		(313,542)
As at 31 May 2025		7,875,548

14. DEFERRED TAX LIABILITIES (continued)

(b) The amount of temporary difference for which no deferred tax asset has been recognised in the statement of financial position of the Group is as follows:

	Group	
	2026	**2025**
	RM	**RM**
Unused tax losses		
- Expires by 31 May 2034	216,782	216,782
- Expires by 31 May 2035	333,281	333,281
- Expires by 31 May 2036	560,029	-
	1,110,092	550,068

Deferred tax assets of a subsidiary have not been recognised in respect of this item as it is not probable that the future taxable profits of this subsidiary would be available against which the deductible temporary difference could be utilised.

The amount and availability of this item to be carried forward are subject to the agreement of the local tax authorities. Unutilised tax losses of the subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Trade payables				
Third parties	3,823,287	6,436,173	-	-
Other payables				
Third parties	1,464,227	2,193,762	9,016	25,957
Amount due to ultimate holding company	1,300	8,800	-	-
Accruals	2,247,151	2,552,262	94,800	80,800
	7,535,965	11,190,997	103,816	106,757

(a) Trade and other payables are classified as financial liabilities and measured at amortised cost.

(b) The normal trade credit terms granted by the trade payables to the Group range from 30 to 90 days (2025: 30 to 90 days) from the date of invoice.

(c) Amount due to ultimate holding company is non-trade in nature, unsecured, interest free and repayable within the next twelve (12) months.

(d) The currency exposure profiles of trade and other payables were as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Ringgit Malaysia ("RM")	7,535,965	11,097,383	103,816	106,757
United States Dollar ("USD")	-	93,614	-	-
	7,535,965	11,190,997	103,816	106,757

15. TRADE AND OTHER PAYABLES (continued)

(e) The following table demonstrates the sensitivity of profit after tax and equity of the Group to a reasonably possible change in the USD exchange rate against the functional currency of the Group, with all other variables held constant:

	Profit after tax		Equity	
Group	**2026**	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
USD/RM				
- strengthened 10%	-	(7,115)	-	-
- weakened 10%	-	7,115	-	-

(f) Maturity profile of trade and other payables of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable within one (1) year.

16. REVENUE

	Group		Company	
	2026	**2025**	**2026**	**2025**
	RM	**RM**	**RM**	**RM**
Revenue from contract with customers:				
Sales of paper-based packaging products	64,670,822	64,097,709	-	-
Revenue from other source:				
Dividend income from a subsidiary	-	-	5,795,000	2,400,000
	64,670,822	64,097,709	5,795,000	2,400,000
Timing of revenue recognition				
Transferred at a point in time	64,670,822	64,097,709	5,795,000	2,400,000

(a) Sales of paper-based packaging products

The Group sells paper-based packaging products comprising corrugated, non-corrugated packaging and paper pulp moulded packaging as well as others such as brochures, leaflets, labels and paper bags as well as trading and production of rigid boxes to customers. Revenue recognition is based on the delivery of the products to the customer, which requires customer acknowledgement that the customer has accepted the goods.

(b) Performance obligation ("PO")

The contracts with customers are bundled and consist of obligations for the manufacture and sale of goods and the delivery of the said goods. The management has assessed that the delivery obligation is primarily a value-added fulfilment service and is not considered to be a significant distinct PO. Accordingly, the contracts with the respective customers are considered as a single PO and is satisfied on a point in time basis with payment generally due between 30 to 90 days from the date of invoice.

16. REVENUE (continued)

(c) Timing of recognition

Revenue is recognised when control over the products has been transferred to the customers upon acknowledgement of the receipt of the products by customers.

(d) Disaggregation of revenue from contracts with customers based on geographical location of customers are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Malaysia	53,783,320	54,213,841	5,795,000	2,400,000
North America	1,989,062	2,990,234	-	-
Southeast Asia	8,898,440	6,817,838	-	-
East Asia	-	75,796	-	-
	64,670,822	64,097,709	5,795,000	2,400,000

17. FINANCE COSTS

	Group	
	2026 RM	2025 RM
Interest expense on:		
- borrowings	688,092	739,537
- lease liabilities	7,764	14,678
	695,856	754,215

18. PROFIT BEFORE TAX

(a) Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
After charging:				
Auditors' remuneration				
- current year	139,500	135,000	41,400	40,000
- non-statutory audit	5,500	5,000	5,500	5,000
Bad debt written off	16,842	-		
Inventories written down	404,871	116,890	-	-
Inventories written off	85,681	144,969		
Loss on foreign exchange:				
- realised	542,133	359,824	-	-
- unrealised	52,542	165,262	-	-
Property, plant and equipment written off	-	51,750	-	-
Rental expenses on:				
- low value assets	4,568	3,228	-	-
- short-term leases	133,698	46,766	-	-

18. PROFIT BEFORE TAX (continued)

(a) Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at: (continued)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
and crediting:				
Gain on disposal of property, plant and equipment	-	(24,999)	-	-
Gain on lease termination	-	(3,618)	-	-
Interest income	(1,017,965)	(1,176,853)	(185,430)	(268,776)

Interest income is recognised on an accrual basis using the effective interest method.

(b) Net impairment losses/(reversals of impairment losses) on financial assets recognised in profit or loss were as follows:

	Group	
	2026 RM	2025 RM
Impairment losses on trade receivables (Note 8(g))	73,314	29,674
Reversal of impairment losses on trade receivables (Note 8(g))	(40,731)	(46,517)
Net impairment losses/(reversals of impairment losses) on financial assets	32,583	(16,843)

19. EMPLOYEE BENEFITS

	Group	
	2026 RM	2025 RM
Salaries, allowance and bonus	15,605,482	14,540,314
Contributions to defined contribution plan	1,369,729	1,307,842
Social security contributions	214,669	200,503
ESOS expenses	198,330	1,007,264
	17,388,210	17,055,923

Included in the employee benefits of the Group and of the Company are remuneration of Directors amounting to RM1,506,341 (2025: RM1,445,476) and RM526,163 (2025: RM520,144) respectively as disclosed in Note 23(c) to the financial statements.

20. TAXATION

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Current tax expense based on profit for the financial year:				
- Current year	2,644,358	1,489,594	196	-
- (Over)/Under provision in prior years	(72,572)	187,886	40,114	(16,979)
	2,571,786	1,677,480	40,310	(16,979)
Deferred tax (Note 14):				
- Relating to origination and reversal of temporary differences	(416,783)	(101,976)	-	-
- Under provision in prior year	152,689	106,814	-	-
	(264,094)	4,838	-	-
Taxation for the financial year	2,307,692	1,682,318	40,310	(16,979)

(a) Malaysian income tax is calculated at the Malaysian statutory tax rate of 24% (2025: 24%) of the estimated assessable profit for the year.

(b) Numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Profit before tax	7,368,154	3,594,695	5,056,444	1,691,111
Tax at Malaysian statutory tax rate of 24% (2025: 24%)	1,768,357	862,727	1,213,547	405,867
Tax effects in respect of:				
Non-deductible expenses	462,649	564,887	221,729	222,368
Non-taxable income	(137,836)	(162,158)	(1,435,080)	(628,235)
Deferred tax assets not recognised	134,405	122,162	-	-
	2,227,575	1,387,618	196	-
(Over)/Under provision of tax expense in prior years	(72,572)	187,886	40,114	(16,979)
Under provision of deferred tax in prior years	152,689	106,814	-	-
Taxation for the financial year	2,307,692	1,682,318	40,310	(16,979)

21. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2026	2025
Profit attributable to the owners of the Company for the financial year (RM)	5,346,165	2,181,018
Weighted average number of ordinary shares at end of the financial year (unit)	388,680,300	388,501,000
Basic earnings per ordinary share (sen)	1.38	0.56

(b) Diluted

Diluted earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the parents and the weighted average number of ordinary shares in issue during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2026	2025
Profit attributable to the owners of the Company for the financial year (RM)	5,346,165	2,181,018
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share	388,680,300	388,501,000
Effect of dilution from Employee's Share Option Scheme	2,749,700	2,749,700
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	391,430,000	391,250,700
Diluted earnings per ordinary share (sen)	1.37	0.56

22. DIVIDENDS

		Group and Company	
	Paid on	2026 RM	2025 RM
Attributable to owners of the Company:			
Recognised for the financial year ended 31 May 2026:			
First interim single tier dividend in respect respect of financial year ended 31 May 2026 of RM0.0050 per ordinary share	28 November 2025	1,943,402	-

22. DIVIDENDS (continued)

	Paid on	Group and Company 2026 RM	Group and Company 2025 RM
Attributable to owners of the Company: (continued)			
Recognised for the financial year ended 31 May 2026: (continued)			
Second interim single tier dividend in respect of financial year ended 31 May 2026 of RM0.0050 per ordinary share	28 May 2026	1,943,402	-
Recognised for the financial year ended 31 May 2025:			
Interim single tier dividend in respect of financial year ended 31 May 2025 of RM0.0050 per ordinary share	30 December 2024	-	1,942,450
		3,886,804	1,942,450

The Directors do not recommend the payment of any final dividend in respect of financial year ended 31 May 2026.

23. RELATED PARTY DISCLOSURES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has related party relationship with its direct and indirect subsidiaries and ultimate holding company.

Related parties of the Group include:

(i) Ultimate holding company;

(ii) Direct and indirect subsidiaries as disclosed in Note 6 to the financial statements; and

(iii) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of the senior management of the Group.

23. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following significant transactions with related parties during the financial year:

	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
Transaction with ultimate holding company				
Aurora Meadow Sdn. Bhd. - Lease expenses	15,400	52,800	-	-
Transactions with a subsidiary				
Hayan Prints (M) Sdn. Bhd. - Dividend income	-	-	5,795,000	2,400,000

The related party transactions described above were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

Information regarding outstanding balance arising from related party transactions as at 31 May 2026 and 31 May 2025 are disclosed in Notes 8 and 15 to the financial statements.

(c) Compensation of key management personnel

The remunerations paid by the Group and the Company to Directors and other members of key management during the financial year are as follows:

	Group 2026 RM	Group 2025 RM	Company 2026 RM	Company 2025 RM
Directors of the Company:				
Fees	630,000	534,000	490,000	414,000
Salaries, allowance and bonus	669,075	605,076	7,200	9,600
Contributions to defined contribution plan	126,648	113,141	-	-
Social security contributions	893	843	-	-
ESOS expenses	39,725	132,416	28,963	96,544
	1,466,341	1,385,476	526,163	520,144

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23. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (continued)

The remunerations paid by the Group and the Company to Directors and other members of key management during the financial year are as follows: (continued)

	Group		Company	
	2026 RM	2025 RM	2026 RM	2025 RM
Directors of the subsidiaries:				
Fees	40,000	60,000	-	-
	1,506,341	1,445,476	526,163	520,144
Key management personnel:				
Salaries, allowance and bonus	586,437	588,320	-	-
Contributions to defined contribution plan	70,466	70,701	-	-
Social security contributions	3,749	3,540	-	-
ESOS expenses	18,656	119,711	-	-
	679,308	782,272	-	-

24. CAPITAL COMMITMENTS

	Group	
	2026 RM	2025 RM
Capital expenditure in respect of purchase of property, plant and equipment		
- Approved and contracted for	2,898,837	1,325,867

25. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group's and the Company's activities are exposed to a variety of financial risks, which include credit risk, liquidity risk, foreign currency risk, and interest rate risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

25. FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from their receivables (which consist of trade receivables, other receivables and amounts due from subsidiaries). For other financial assets (including cash and bank balances, short-term funds and fixed deposits with licensed banks), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised and monitored via strictly limiting the Company's association to business partners with good credit rating. Credit evaluations are performed on all customers requiring credit over a certain amount.

Fixed deposits with licensed banks and cash and bank balances are placed with major financial institutions in Malaysia. The Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The credit risk concentration profile of the trade and other receivables has been disclosed in Note 8 to the financial statements.

(ii) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 12, 13 and 15 to the financial statements.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in a currency other than the functional currency of the Group. Foreign exchange exposures in transactional currencies other than functional currency of the Group are kept to an acceptable level. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Renminbi ("RMB").

The Group also holds cash and cash equivalents denominated in foreign currencies to pay its foreign purchases as a natural hedge against fluctuations in foreign currency risk.

The foreign currency profile and sensitivity analysis have been disclosed in Notes 8, 9 and 15 to the financial statements.

25. FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The exposure of the Group to interest rates risk arises primarily from fixed deposits with licensed banks, short-term funds, borrowings and lease liabilities. The Group borrows at floating rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations. Fixed deposits and short-term funds of the Group are placed at fixed rates and management endeavours to obtain the best rate available in the market.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 9, 12 and 13 to the financial statements.

26. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group and the Company manage their capital structures and adjust them, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the financial years ended 31 May 2026 and 31 May 2025.

The Group manages its capital based on the debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as total debt divided by equity attributable to the owners of the Company.

	Group	
	2026	**2025**
	RM	**RM**
Borrowings	19,126,070	14,801,126
Lease liabilities	93,605	140,953
Total debts	19,219,675	14,942,079
Total equity attributable to the owners of the Company	125,021,905	123,364,214
Debt-to-equity ratio	0.15	0.12

The Company has no borrowings or lease liabilities as at 31 May 2026 and 31 May 2025. Accordingly, the debt-to-equity ratio is not applicable to the Company.

The Group is not subject to any externally imposed capital requirements.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

Pursuant to the requirements of Guidance Note No.3 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than or equals to twenty-five per centum (25%) of the issued and paid-up capital of the Company. The Company has complied with this requirement during the financial year ended 31 May 2026.

REPORTS AND FINANCIAL STATEMENTS

27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

27.1 Amendments to MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments to the MFRSs of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	**Effective Date**
Amendments to MFRS 121 *Lack of Exchangeability*	1 January 2025

The Amendments introduce guidance on determining the appropriate exchange rate when a currency lacks exchangeability and require disclosures on the nature of the restrictions, the basis for estimating the exchange rate and the resulting effects on the entity's financial position, financial performance and cash flows.

Adoption of the above Amendments to MFRSs did not have any material effect on the financial performance or position of the Group and the Company.

27.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The following are Standards and Amendments to MFRSs of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	**Effective Date**
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 19 *Subsidiaries without Public Accountability Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
MFRS 20 *Regulatory Assets and Regulatory Liabilities*	1 January 2029
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred
Amendments to MFRS 128 *Amendments to the Fair Value Option for Investments in Associates and Joint Ventures*	Applicable when an entity first applies MFRS 18

The Group and the Company are in the process of assessing the impact of implementing above Standards and Amendments to MFRSs, since the effects would only be observable for future financial years.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	Remarks	Group 2026 RM	Group 2025 RM
Total Income			
Revenue		64,670,822	64,097,709
Other income		739,718	614,176
Interest income		1,017,965	1,176,853
Total		66,428,505	65,888,738
Total Assets		160,388,831	158,653,853

(B) Business Activities

	Remarks	Group 2026 RM	Group 2025 RM
Shariah Non-Compliant Activities			
Liquor and liquor-related activities		18,533	-
Pork and pork-related activities		8,518	5,543
Interest income		455,441	749,305
Total		482,492	754,848

(C) Component of Financial Position

(i) Cash Component

	Remarks	Group 2026 RM	Group 2025 RM
Islamic Account/Instruments			
Cash at bank (exclude cash in hand)		6,816,838	8,497,427
Fixed deposits with licensed banks		3,083,864	4,800,000
Short-term funds		18,949,536	8,327,783
Total		28,850,238	21,625,210

	Remarks		
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		5,461,433	1,384,306
Fixed deposits with licensed banks		1,828,923	7,227,570
Short-term funds		9,061,462	11,147,795
Total		16,351,818	19,759,671

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(C) Component of Financial Position (continued)

(ii) Debt Component

Islamic Financing	Remarks	Group 2026 RM	Group 2025 RM
Current			
Term loans		639,888	385,056
Non current			
Term loans		10,881,968	5,746,017
Total		11,521,856	6,131,073

Conventional Borrowings	Remarks	Group 2026 RM	Group 2025 RM
Current			
Term loans		821,355	1,128,209
Non current			
Term loans		6,782,859	7,541,844
Total		7,604,214	8,670,053

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LIST OF PROPERTIES

Postal Address	Description / Existing use	Land Area (sq. ft)	Built-up area (sq. ft)	Approximate age of buildings (years)	Tenure / Date of expiry of lease	Date of acquisition	Net book value as at 31 May 2026 (RM'000)
No. 22A, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of double storey office together with single storey detached factory* Existing use: Factory and office	28,901.10	39,037.00	21	99 years expiring on 14 August 2096 (remaining tenure 70 years)	05/11/2003	1,308
No. 22, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of single storey detached factory* together with warehouse Existing use: Factory and warehouse	27,889.29	The built-up area of 39,037.00 sq. ft. (as above) is for both units No. 22, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka and No. 22A, Jalan TTC 28, Taman Teknologi	21	99 years expiring on 14 August 2096 (remaining tenure 70 years)	05/11/2003	1,069
No. 38, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of single storey detached factory** Existing use: Factory	27,501.80	35,385.28	8	99 years expiring on 14 August 2096 (remaining tenure 70 years)	03/05/2016	3,175
No. 37, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of single storey detached factory** together with 3-storey offices Existing use: Factory and office	21,517.06	The built-up area of 35,385.28 sq. ft. (as above) is for both units No. 38, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka and No. 37, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka	7	99 years expiring on 14 August 2096 (remaining tenure 70 years)	03/05/2016	3,271
No. 12, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of single storey detached factory together with warehouse and 1 unit of double storey hostel Existing use: Warehouse and foreign workers' hostel	21,958.00	14,815.02	19	99 years expiring on 14 August 2096 (remaining tenure 70 years)	23/08/2017	2,385

Note:
** The single storey detached factory is built across adjoining No. 22A, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka and No. 22, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka.*
*** The single storey detached factory is built across adjoining No. 38, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka and No. 37, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka.*

LIST OF PROPERTIES

Postal Address	Description / Existing use	Land Area (sq. ft)	Built-up area (sq. ft)	Approximate age of buildings (years)	Tenure / Date of expiry of lease	Date of acquisition	Net book value as at 31 May 2026 (RM'000)
No. 14, Jalan TTC 28, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of single storey detached factory together with warehouse and office Existing use: Factory and warehouse	22,249.00	9,881.27	21	99 years expiring on 14 August 2096 (remaining tenure 70 years)	30/12/2009	898
No. 28, Jalan TTC 30, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of single storey detached factory together with office Existing use: Factory and warehouse	51,871.28	28,481.31	19	99 years expiring on 14 August 2096 (remaining tenure 70 years)	14/09/2018	5,788
Lot 8522, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of 4-storey factory, together with warehouse and hostel*** Existing use: Factory, warehouse and foreign workers' hostel	9,999.67	41,684.32	2	99 years expiring on 14 August 2096 (remaining tenure 70 years)	17/08/2022	3,460
Lot 8523, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka	Description: 1 unit of 4-storey factory, together with warehouse and hostel*** Existing use: Factory, warehouse and foreign workers' hostel	9,999.67	The built-up area of 41,684.32 sq. ft. (as above) is for both units Lot 8522, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka and Lot 8523, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka	2	99 years expiring on 14 August 2096 (remaining tenure 70 years)	17/08/2022	3,460
3, Jalan TU 50, Taman Tasik Utama, Bukit Baru, 75450 Hang Tuah Jaya, Melaka	Description: 1 unit of single storey detached factory annexed with 1 unit of double-storey office Existing use: Factory and office	128,090.53	20,697.96 (Existing) 53,389.00 (Extension)	22 1	99 years expiring on 29 March 2097 (remaining tenure 71 years)	21/09/2023	17,698

Note:
****The 4-storey factory and officer, together with warehouse and hostel are built across adjoining Lot 8522, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka and Lot 8523, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka.*

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 28 AUGUST 2026

Total Number of Issued Shares : 388,680,300 ordinary shares
Class of Shares : Ordinary Shares
Voting Rights : One vote per share

Holdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Issued Capital
Less than 100 shares	7	0.31	100	0.00
100 to 1,000 shares	361	16.29	224,700	0.06
1,001 to 10,000 shares	1,051	47.43	5,945,200	1.53
10,001 to 100,000 shares	647	29.20	23,180,800	5.96
100,001 to 19,434,014 shares (*)	146	6.59	106,357,340	27.36
19,434,015 shares and above (**)	4	0.18	252,972,160	65.09
Total	**2,216**	**100.00**	**388,680,300**	**100.00**

Notes:
* Less than 5% of issued shares
** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 28 AUGUST 2026

Name	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Aurora Meadow Sdn. Bhd.	166,266,930	42.78	-	-
GSPP Holdings Sdn. Bhd.	36,000,000	9.26	-	-
Ang Poh Geok	26,248,702	6.75	2,129,000[2]	0.55
Kok Hon Seng	24,456,528	6.29	180,271,595[3]	46.38
Lau Tee Tee @ Lau Kim Wah	7,888,268	2.03	173,219,137[4]	44.57
Ng Soh Hoon (Deceased)[1]	14,004,665	3.60	190,723,458[5]	49.07
Chong Fea Chin	6,952,207	1.79	174,155,198[6]	44.81
Teng Tian Hee	309,400	0.08	28,069,202[7]	7.22

Notes:

(1) Madam Ng Soh Hoon (deceased) remains the registered holder of the shares held in HPP Holdings Berhad and Aurora Meadow Sdn. Bhd. as at 28 August 2026. The application for Grant of Probate in respect of her estate is currently in progress.

(2) Deemed interested by virtue of her spouse, Teng Tian Hee's direct interest in HPP Holdings Berhad and her children, Teng Chee Kang, Teng Chee Kang and Teng Mei Sien's direct interest in HPP Holdings Berhad pursuant to Section 8 of the Companies Act 2016 ("**Act**").

ANALYSIS OF SHAREHOLDINGS

(3) Deemed interest by virtue of his and his spouse, Ng Soh Hoon's interest in Aurora Meadow Sdn. Bhd. and Ng Soh Hoon's direct interest in HPP Holdings pursuant to Section 8 of the Act.

(4) Deemed interest by virtue of his and his spouse, Chong Fea Chin's interest in Aurora Meadow Sdn. Bhd. and Chong Fea Chin's direct interest in HPP Holdings pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of her and her spouse, Kok Hon Seng's interest in Aurora Meadow Sdn. Bhd. and Kok Hon Seng's direct interest in HPP Holdings pursuant to Section 8 of the Act.

(6) Deemed interest by virtue of her and her spouse, Lau Tee Tee @ Lau Kim Wah's interest in Aurora Meadow Sdn. Bhd. and Lau Tee Tee @ Lau Kim Wah's direct interest in HPP Holdings pursuant to Section 8 of the Act.

(7) Deemed interest by virtue of his spouse, Ang Poh Geok's direct interest in HPP Holdings Berhad and his children , Teng Chee Kang, Teng Chee Kang and Teng Mei Sien's direct interest in HPP Holdings Berhad pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS AS AT 28 AUGUST 2026

Name	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Lau Tee Tee @ Lau Kim Wah	7,888,268	2.03	173,219,137[1]	44.57
Kok Hon Seng	24,456,528	6.29	180,271,595[2]	46.38
Teng Tian Hee	309,400	0.08	28,069,202[3]	7.22
Philip Goh Teck Siang	200,000	0.05	-	-
Lee Chong Leng	400,000	0.10	-	-
Chong See Ling	-	-	-	-
Fong Weng Meng	-	-	-	-

Notes:

(1) Deemed interest by virtue of his and his spouse, Chong Fea Chin's interest in Aurora Meadow Sdn. Bhd. and Chong Fea Chin's direct interest in HPP Holdings pursuant to Section 8 of the Act.

(2) Deemed interest by virtue of his and his spouse, Ng Soh Hoon's interest in Aurora Meadow Sdn. Bhd. and Ng Soh Hoon's direct interest in HPP Holdings pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of her spouse, Teng Tian Hee's direct interest in HPP Holdings Berhad and her children, Teng Chee Kang, Teng Chee Kang and Teng Mei Sien's direct interest in HPP Holdings Berhad pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS

THIRTY LARGEST SHAREHOLDERS AS AT 28 AUGUST 2026

No.	Name	No. of Shares	%
1	Aurora Meadow Sdn. Bhd.	166,266,930	42.78
2	GSPP Holdings Sdn Bhd	36,000,000	9.26
3	Ang Poh Geok	26,248,702	6.75
4	Kok Hon Seng	24,456,528	6.29
5	Ng Soh Hoon	14,004,665	3.60
6	Tan Kok Choon	9,053,300	2.33
7	Lau Tee Tee @ Lau Kim Wah	7,888,268	2.03
8	Chong Fea Chin	6,952,207	1.79
9	Ji Yeh Ming	4,000,000	1.03
10	Ooi Lee Peng	3,966,200	1.02
11	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ooi Lee Peng)	3,071,500	0.79
12	Chong Tong Siew	2,753,700	0.71
13	Chai Pin Koon	2,157,800	0.56
14	Chu Beng Han	1,710,000	0.44
15	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ji Jock Wah)	1,691,300	0.43
16	Ng Chet Luk	1,394,200	0.36
17	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ooi Lee Peng)	1,379,700	0.35
18	Tan Kok Seng	1,365,900	0.35
19	Tay Cheng Foo	1,205,300	0.31
20	HLIB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Yeo See Huey)	1,148,300	0.30
21	Tan Tiam Peng	1,145,800	0.29
22	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Sim Chai Luan)	1,074,000	0.28
23	Liu Chong Yew	1,010,000	0.26
24	IFAST Nominees (Tempatan) Sdn Bhd (Tan Tiam Peng)	986,900	0.25
25	Haw Wan Kiat	941,700	0.24
26	Ji Siew Yong	893,900	0.23
27	Goh Kim Keong	800,000	0.21
28	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Goh King Kok)	768,100	0.20
29	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ooi Lee Peng)	736,000	0.19
30	Chua Kim Poo	725,000	0.19
	TOTAL	**325,795,900**	**83.82**

HPP HOLDINGS BERHAD
(Registration No.: 201801043588 (1305620-D))
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be convened and held at Allusive Ballroom - Level 3, Asia Melaka Hotel (Managed by The Straits Hotel & Suites), No. 1-B, Jalan Melaka Raya 2, Taman Melaka Raya, 75000 Melaka, Malaysia on Friday, 30 October 2026 at 11.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2026 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 8)**

2. To approve the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM726,000.00 only for the period from 31 October 2026 until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, to be paid monthly in arrears. **Ordinary Resolution 1**

3. To re-elect the following Directors who are retiring pursuant to Clause 76(3) of the Constitution of the Company: -

   (i) Mr Kok Hon Seng; and **Ordinary Resolution 2**
   (ii) Mr Philip Goh Teck Siang. **Ordinary Resolution 3**

4. To re-elect the following Directors who are retiring pursuant to Clause 78 of the Constitution of the Company: -

   (i) Mr Teng Tian Hee; and **Ordinary Resolution 4**
   (ii) Mr Fong Weng Meng. **Ordinary Resolution 5**

5. The External Auditors, BDO PLT had expressed their intention to retire and not seeking re-appointment subsequent to the conclusion of the Eighth AGM.

As Special Business

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

6. **Authority under Section 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

   "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(3) 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 that which may be declared, made or paid before the date of allotment of such new shares."

Ordinary Resolution 6

7. To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No. 202008001023)
TAN AI NING (MAICSA 7015852) (SSM PC No. 202008000067)
LIM SENG KOON (MAICSA 7073229) (SSM PC No. 202008004364)

Secretaries

Selangor Darul Ehsan

Date: 29 September 2026

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

2. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

6. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 21 October 2026 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

8. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Act. Hence, this Agenda is not put forward for voting by shareholders of the Company.

9. Explanatory Notes: -

(i) **Ordinary Resolution 1 on Directors' fees and benefits payable to Directors**

Payment of Directors' fees and benefits under Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. There is no revision to the amount proposed.

The amount of Directors' fees to each Director of the Company and its subsidiaries are as follows:-

Directors	**Amount (RM)**
HPP Holdings Berhad:-	
Mr Lau Tee Tee @ Lau Kim Wah	96,000.00
Mr Kok Hon Seng	96,000.00
Mr Teng Tian Hee	60,000.00
Mr Fong Weng Meng	60,000.00
Mr Philip Goh Teck Siang	78,000.00
Datuk Lee Chong Leng	48,000.00
Ms Chong See Ling	36,000.00
Subsidiary – Hayan Prints (M) Sdn. Bhd.:-	
Mr Lau Tee Tee @ Lau Kim Wah	60,000.00
Mr Kok Hon Seng	60,000.00
Mr Teng Tian Hee	60,000.00

In determining the estimated total amount of Directors' fees and benefits payable to the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees, and general meeting and provisional sum as a contingency for future appointment of Directors on the Board. The meeting allowance for an Independent Non-Executive Director is RM400.00 per meeting.

Payment of Directors' fees and any benefits payable will be made by the Company on a monthly basis or as and when incurred. The Board is of the view that it is just and equitable for the Directors' fees to be paid on monthly basis or as and when incurred, after the

Directors have discharged their responsibilities and rendered their services to the Company.

(ii) **Ordinary Resolutions 2, 3, 4 and 5 on Re-election of Directors**

Pursuant to Malaysian Code on Corporate Governance, the profiles of the Directors who are standing for re-election as per Agenda items 3 and 4 are set out in the Directors' profiles of the Annual Report 2026.

The performance, contribution, effectiveness and independence (as the case may be) of the retiring Directors, namely Mr Kok Hon Seng, Mr Philip Goh Teck Siang, Mr Teng Tian Hee and Mr Fong Weng Meng (collectively "**Retiring Directors**") have been assessed by the Nomination Committee ("**NC**"). In addition, the NC has also conducted an assessment on the fitness and propriety of the Retiring Directors including the review of their fit and proper declarations and results of their background checks in accordance with the Directors' Fit & Proper Policy. The Retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of NC, the Board endorsed the same, having been satisfied with performance as well as fitness and propriety of the Retiring Directors.

(iii) **Retirement of External Auditors**

BDO PLT had expressed that they are not seeking re-appointment as the External Auditors of the Company and shall accordingly retire at the conclusion of the Eighth AGM. The Board would like to express its sincere appreciation to BDO PLT for their diligence and dedications during their tenure as the External Auditors of the Company.

The Company has commenced the process to identify suitable candidate for appointment as the new External Auditors of the Company. Further announcement on the appointment of the new External Auditors will be made in due course.

(iv) **Ordinary Resolution 6 - Authority pursuant to Section 76 of the Act for the Directors to Allot and Issue Shares**

The Company had, during its Seventh AGM held on 31 October 2025, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Section 76 of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 6 proposed under item 6 of the Agenda is to seek shareholders' approval of the general mandate for issuance of shares by the Company under Section 76 of the Act.

This proposed Ordinary Resolution 6, if passed, will provide flexibility for the Company for fund raising and empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for the purpose of working capital or provide funding for future investments or undertakings. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 12(3) of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to the issuance of new shares in the Company under the general mandate.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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HPP HOLDINGS BERHAD
(Registration No.: 201801043588 (1305620-D))
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

PROXY FORM

I/We*, _____ (full name of shareholder, in capital letters) NRIC No./Passport No./Company No.*

_____ of _____

_____ (full address) telephone no. _____

and email address _____ being a member/ members* of HPP HOLDINGS BERHAD hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Telephone No.			

and/ or*

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Telephone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Eighth Annual General Meeting of the Company to be convened and held at Allusive Ballroom - Level 3, Asia Melaka Hotel (Managed by The Straits Hotel & Suites), No. 1-B, Jalan Melaka Raya 2, Taman Melaka Raya, 75000 Melaka, Malaysia on Friday, 30 October 2026 at 11.00 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	**RESOLUTION**		**FOR**	**AGAINST**
1.	To approve the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM726,000.00 only for the period from 31 October 2026 until the conclusion of the next Annual General Meeting of the Company, to be paid monthly in arrears.	**Ordinary Resolution 1**		
2.	To re-elect Mr Kok Hon Seng as Director.	**Ordinary Resolution 2**		
3.	To re-elect Mr Philip Goh Teck Siang as Director.	**Ordinary Resolution 3**		
4.	To re-elect Mr Teng Tian Hee as Director.	**Ordinary Resolution 4**		
5.	To re-elect Mr Fong Weng Meng as Director.	**Ordinary Resolution 5**		
6.	To approve the authority pursuant to Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	**Ordinary Resolution 6**		

*Strike out whichever is not desired.

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

_____
Signature/Common Seal of Member/(s)

Number of shares held: _____

Date: _____

Fold this flap for sealing

Notes:

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

2. *A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.*

3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*

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AFFIX
STAMP

The Share Registrar
HPP HOLDINGS BERHAD
(Registration No.: 201801043588 (1305620-D))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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5. *The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.*

6. *Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*

7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 21 October 2026 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.*

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Eighth Annual General Meeting dated 29 September 2026.



HPP HOLDINGS BERHAD

REG.NO.201801043588(1305620D)

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