HPP HOLDINGS BERHAD
(Registration No. 201801043588 (1305620-D))

CORPORATE GOVERNANCE REPORT

2026

INTEGRITY • ACCOUNTABILITY • TRANSPARENCY • SUSTAINABILITY

CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	0228
COMPANY NAME	**:**	HPP HOLDINGS BERHAD
FINANCIAL YEAR	**:**	MAY 31, 2026

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors ("**Board**") of HPP Holdings Berhad ("**HPP Holdings**" or "**Company**") is dedicated in upholding strong corporate governance standards across HPP Holdings and its subsidiaries ("**Group**"), aimed at fostering sustainable business growth and enhancing shareholder value over the long term. The Board Charter outlines the principles governing Board processes and defines the roles, functions, and responsibilities of the Board, including: • Review and approve strategies, business plans and key policies for the Group and monitor Management's performance in implementing them to determine whether the business is being properly managed; and • Set corporate values and clear lines of responsibility and accountability, including governance systems and processes that are communicated throughout the Group. To effectively discharge its fiduciary duties and responsibilities, the Board delegates specific authority and discretion to the Chairman, Executive Directors ("**EDs**"), Management, and Board Committees comprised exclusively of Independent Non-Executive Directors ("**INEDs**"). These Board Committees include the Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("**NC**"), and Remuneration Committee ("**RC**"). The Board convenes meeting quarterly to deliberate on strategic, business, and financial performance matters, as well as on the management and operational aspects of the Group. This ensure the Group's activities are aligned with the Group's strategic objectives and long-term goals.

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2
A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application :	Applied
Explanation on application of the practice :	The Board is chaired by a Non-Independent Non-Executive Chairman, Mr Lau Tee Tee @ Lau Kim Wah ("**Mr Lau**"). Mr Lau's primary responsibilities include providing leadership to the Board, facilitating the orderly and constructive resolution of matters reserved for the Board, promoting corporate governance, and ensuring the Board's effectiveness. The Board Chairman's key duties and responsibilities are explicitly outlined in the Board Charter as follows: • Providing leadership to the Board in setting the direction and policies of the Group; • Lead the Board in the adoption and implementation of good corporate governance practices throughout the Group; • Setting the Board meetings agenda and ensuring that Board members receive complete and accurate information in a timely manner; • Leading Board meetings and discussions; • Supporting and guiding management in achieving corporate objectives; • Encouraging active participation and allowing dissenting views to be freely expressed; • Advising the Board of good investor relation with effective communication on the Group's performances and strategic plans; • Representing the Board and managing coordination between the Board and the Management; • Maintaining regular dialogue with the Group Managing Director ("**GMD**") on overall operational matters and consulting with the Board members of any matters of concern; • Ensuring that all Directors look beyond their executive functions and accept their share of responsibilities towards good corporate governance; and • Performing other responsibilities assigned by the Board from time to time and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application :	Applied	
Explanation on application of the practice :	The Board has ensured that the positions of Board Chairman and GMD are held by different individuals. The Board Charter clearly outlines the distinct roles and responsibilities for each position. Mr Lau, the Chairman of the Board, is primarily responsible for providing leadership to the Board. He leads discussions on strategies and policies recommended by Management, advises the Board on maintaining good investor relations through effective communication regarding the Group's performance and strategic plans, and ensures the Board's effectiveness and collective oversight of the Group. Mr Kok Hon Seng, who assumes the position of GMD, is primarily responsible for overseeing the day-to-day operations and businesses of the Group, as well as implementing the strategies and policies approved by the Board.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.		
Application :	Applied	
Explanation on application of the practice :	The Chairman of the Board, Mr Lau, is not a member of ARMC, NC and RC.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5
The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	During the financial year ended 31 May 2026 ("**FYE 2026**"), the Board was supported by three (3) professionally qualified and competent company secretaries, namely Ms Tai Yit Chan (MAICSA 7009143), Ms Tan Ai Ning (MAICSA 7015852) and Mr Lim Seng Koon (MAICSA 7073229). Our company secretaries have the requisite credential and fulfil the qualification requirements of a company secretary as enshrined in Section 235(2) of the Companies Act 2016. Roles and responsibilities of the company secretaries include, but are not limited to the following: • Manage the logistics of all Board and Board Committees meetings, attend and record minutes of all Board and Board Committee meetings and facilitate Board communications; • Guide the Board on its roles and responsibilities and on corporate disclosures and compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**")("**Listing Requirements**") and other relevant rules and regulations; • Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and • Serve as a focal point for stakeholders' communication and engagement on corporate governance issues. Our company secretaries provide guidance to our Board on its roles and responsibilities, ensuring they are informed of new statutory and regulatory requirements and corporate governance matters. They also promptly relay communications from relevant regulatory and governmental authorities to the Board. Our company secretaries have attended all Board and Board Committee meetings, ensuring proper meeting procedures are in place, including the dissemination of complete and accurate meeting materials in a timely manner, allowing Board members to have ample time to review the meeting materials before meetings. Additionally, our company secretaries also facilitated the communication of key decisions and policies between the Board, Board Committees and Management.

	All Directors have unrestricted access to the advice and services of the company secretaries, enabling them to effectively discharge their duties.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6
Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application :	Applied	
Explanation on application of the practice :	The Board is supplied with relevant information and reports to facilitate the effective discharge of its roles and responsibilities. Furthermore, the Board has full and unrestricted access to all information pertaining to the Group's business and affairs including financial, operational, corporate, business development and compliance matters. Meeting papers and / or other relevant information and documents pertaining to the meeting agenda are emailed to all Board members at least five (5) working days prior to the Board meeting so as to facilitate effective and quality decision making in dealing with matters arising during the meetings. Directors may request for further information or clarification from Management on matters to be deliberated prior to each meeting to ensure proceedings at the meeting are not interrupted.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	The Board Charter serves as a guide to the Board in discharging its fiduciary and leadership functions, and upholding sound corporate governance and practices which clearly sets out the roles and responsibilities of the Board, Board Committees and its members, including stewardship role, meeting proceedings, authority and power. The Board Charter addresses the key areas including but not limited to the following: a. Duties and Responsibilities of the Board; b. Board Structure and Composition; c. Matters Reserved for the Board's Approval; d. Functions of Board Committees; e. Appointment and Re-election of Director; f. Director's Training; g. Conduct of general meeting; h. Stakeholders' Relationship and Management; i. Code of Conduct and Ethics; and j. Whistleblowing Policy. The Board Charter shall be reviewed once every three (3) years, or as and when necessary to ensure it remains relevant with the Board's objectives and responsibilities, as well as any new regulations that may impact the Board's duties. The Board Charter was last reviewed on 18 July 2024 and is made available on the Group's website at www.hppholdings.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure :		
Timeframe :		

Intended Outcome
The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1
The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Group is committed in maintaining high standards of ethics and integrity. In line with this, the Board strictly adheres to the Group's Code of Conducts and Ethics in discharging its oversight role effectively. The Code of Conducts and Ethics requires all Directors, officers and employees to cultivate corporate accountability at each individual level to ensure an ethical corporate environment can flourish and enable the Group to consistently reach high standards of corporate governance, corporate social responsibility and professionalism. The Code of Conducts and Ethics provides guidance on the conduct of ethical practices when undertaking business on behalf of the Group, which include managing conflicts of interest, preventing abuse of power, bribery and corruption, insider trading and anti-money laundering. The Board values integrity in its dealings and observes zero tolerance towards corrupt or illegal practices undertaken by staff in the course of their work. To this end, the Group has adopted an anti-bribery and anti-corruption policy and framework in the inculcation of high standards of integrity and ethics across the Group as well as in promoting good corporate governance practices and accountability in its businesses and operations. To facilitate effective management of the conflict of interest situations, the Board has established a Conflict of Interest Policy which outlines the disclosure obligation of each Director, Key Senior Management and Senior Management of the Group with respect to the conflict of interest, and the procedures to be followed when any actual, potential and perceived conflict of interest arises to ensure systematic identification, disclosure, and management of conflict of interest in a structured and timely manner.

	The Code of Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy and Conflict of Interest Policy are made available on the Group's official website at www.hppholdings.com and can be easily accessible as and when required.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2
The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application :	Applied	
Explanation on application of the practice :	The Board acknowledges the importance of any genuine commitment, demonstrated by employees and other stakeholders to report genuine concerns about unethical behaviours, malpractices, illegal acts or failure to comply with regulatory requirements that are taking place / have taken place / may take place in the future within the Group. To facilitate this, the Whistleblowing Policy has been established to encourage and provide a channel to report in good faith and in confidence, without fear of reprisals and concerns about possible improprieties. All whistleblowing reports are directly channelled to either the Chairman of the Board or the Chairman of the ARMC. The ARMC shall review the credibility of each whistleblowing report, considering the significance and implications of the matter, as well as the likelihood of verifying the allegation from credible sources. If an investigation is necessary, the ARMC will appoint an independent investigation team to objectively review the matter. Detailed procedures for reporting improper conduct are outlined in the Whistleblowing Policy, which is available on the Group's website at www.hppholdings.com.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application :	Applied	
Explanation on application of the practice :	The Company's sustainability governance structure is primarily led by the Board, as part of their responsibility to review and adopt a strategic plan for long-term value creation in accordance to the Board Charter. This includes strategies that consider economic, environmental, and social factors. All information regarding the Group's sustainability-related matters, including key initiatives and activities, are disclosed in the Sustainability Statement of the Annual Report for FYE 2026.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2
The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>The Board supports transparent communication with the Group's shareholders and various stakeholders to ensure they are aware of the Group's sustainability strategies, targets, and performance. The key stakeholders of the Group are identified as follows:
<table>
<tr><th>Stakeholder</th><th>Description</th></tr>
<tr><td>Customers</td><td>Customers are the ultimate users of the Group's product. They are main revenue-drivers of the Group and are able to affect the Group's reputation.</td></tr>
<tr><td>Suppliers/ Subcontractors</td><td>Suppliers/ Subcontractors are sources of raw materials (paperboards and printing inks) and services to facilitate the Group's production and trading activities.</td></tr>
<tr><td>Employees</td><td>Employees are at the core of the Group's operations and are the greatest contributor to the Group's value creation activities. The Group endeavours to cultivate a motivated workforce by looking after their well-being.</td></tr>
<tr><td>Investors and Shareholders</td><td>Shareholders and investors are stakeholders who hold a direct financial stake in the Group through the purchase of equity or other financial instruments. The Group focuses on building shareholders and investors trust so as to attract new potential investors as well as to maintain the current ones.</td></tr>
<tr><td>Community</td><td>The Group endeavours to create sustainable living spaces through social welfare and environmentally friendly developments.</td></tr>
<tr><td>Government and Regulators</td><td>Regulatory bodies are the forces behind regulatory framework that governs the extent of compliance demonstrated by the Group whilst rendering its printing and packaging services to customers.</td></tr>
<tr><td>Financial Institutions</td><td>Financial institutions play an important role for the Group in maintaining cash flow liquidity for business operations and financing business expansion initiatives. To support this, the Group continuously</td></tr>
</table></td></tr>
</table>

		ensures compliance with the loan covenants, provides timely performance reporting in financial and Environmental, Social & Governance ("**ESG**") contexts as well as ensures prompt loan repayment.
	A detailed description of HPP Holdings' stakeholder groups and priorities, along with its sustainability aspirations and performance, is provided in the Company's Sustainability Statement, which is included in the Annual Report for FYE 2026.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application :	Applied	
Explanation on application of the practice :	The Board is dedicated to fulfilling its tasks and responsibilities while considering the effects of current sustainability challenges on the Group and its operations, including climate-related risks and opportunities. To keep up with evolving sustainability challenges, the Board has participated in corporate sustainability training programs, mainly in ESG related training.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4
Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application :	Applied	
Explanation on application of the practice :	The Annual Performance Evaluation of the Board and Senior Management for FYE 2026 included an assessment of how material sustainability risks and opportunities are managed and addressed. This review covered the following areas: a) Effectiveness of the Group's overall sustainability governance framework in reporting its ESG risks, sustainability targets and initiatives. b) Ability of the Board in distilling sustainability related risks. c) Monitoring of sustainability related key performance indicators ("**KPIs**").	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	The NC is responsible for conducting an annual assessment on the Board's composition, as well as the effectiveness and performance of the Board, Board Committees, and individual Directors. As part of this evaluation, the tenure of each Director has been reviewed to ensure that the Board's composition aligns with the best interests of the Company and adheres to good corporate governance practices. The NC is satisfied that the current Board composition supports objective and independent deliberation, review, and decision-making. Additionally, the Board Charter stipulates that the tenure of an Independent Director is limited to a cumulative term of nine (9) years. An Independent Director who has served for this term and wishes to remain as Independent Director is subject to valid justification and shareholders' approval at the Annual General Meeting ("**AGM**") through two-tier voting process. The annual re-election / re-appointment of retiring Directors depends on a satisfactory evaluation of their performance and contributions to the Board and / or Board Committees. Furthermore, the Board has formalised and adopted the Directors' Fit and Proper Policy, which serves as a guide to the NC and the Board in assessing potential candidates for appointment as Directors as well as existing Directors seeking for re-election and re-appointment. Pursuant to the Directors' Fit and Proper Policy, a fit and proper assessment had been conducted on Mr Teng Tian Hee and Mr Fong Weng Meng who were duly appointed during the financial year under review. Furthermore, a fit and proper assessment was also conducted on the following Directors who are due for retirement and seeking for re-election at the forthcoming AGM of the Company: 1. Mr Kok Hon Seng; 2. Mr Philip Goh Teck Siang; 3. Mr Teng Tian Hee; and 4. Mr Fong Weng Meng.

Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	During the financial year under review, the Board comprised eight (8) members, of whom three (3) members were Independent Directors. A detailed breakdown of the Board composition is as follows: • Three (3) Independent Non-Executive Directors; • Two (2) Non-Independent Non-Executive Directors; and • Three (3) Non-Independent Executive Directors. The Board acknowledges that its current composition does not meet the recommendation on at least half of the Board comprises independent directors. Nevertheless, the Board is of the view that the current size and composition of the Board constitute 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 is also satisfied that the current Board composition provides adequate representation of the interests of the minority shareholders. An annual assessment of the independence of the Independent Directors was conducted during the financial year under review. Based on the evaluation results, the Board was satisfied that each Independent Director meets the independence criteria prescribed in the Listing Requirements. The Independent Directors demonstrated their independence and objectivity through their active participation in Board and Board Committee meetings, providing objective challenge to the Management and bringing independent judgement to decision taken by the Board. The Board has been able to discharge its duties effectively and uphold high standards of corporate governance in its conduct. Notwithstanding this, the Board remains committed to strengthening its composition and will consider increasing the number of Independent Directors should suitable candidates be identified.

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application :	Applied	
Explanation on application of the practice :	At present, there is no INED serving beyond the cumulative terms of nine (9) years.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.	
Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

<table>
<tr><td>Application :</td><td>Applied</td></tr>
<tr><td>Explanation on application of the practice :</td><td>Selection criteria for Directors and senior management are based on an effective integration of competencies, skills, extensive experience and knowledge in order to strengthen the Board and senior management. The Board and senior management possess a mix of financial and accounting, business administration and other backgrounds which when working in synergy, could provide the Company with considerable experience in a wide range of activities.

The NC is entrusted with the responsibilities of spearheading the process of nominating and recommending potential candidates to our Board if there is any vacancy arising from resignation, retirement or any other reasons or if there is a need to appoint additional Directors with the required criteria based on the recommendation from existing Directors, key senior management or major shareholders. The NC shall review the suitability of candidates based on the skills, knowledge, expertise and experience, professionalism, integrity and in the case of candidates for the position of INEDs, our NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from INEDs.

During the financial year under review, the diversity of the Board in terms of nationality, age, and gender is as follows:
<table>
<tr><td></td><td colspan="5">Age Group</td><td colspan="2">Gender</td><td>Nationality</td></tr>
<tr><td></td><td>40-45</td><td>46-50</td><td>51-55</td><td>56-60</td><td>>60</td><td>Male</td><td>Female</td><td>Malaysian</td></tr>
<tr><td>Number of Directors</td><td>2</td><td>-</td><td>1</td><td>-</td><td>5</td><td>6</td><td>2</td><td>8</td></tr>
</table>
The appointment of Key Senior Management is carefully evaluated, with decisions based on internally-established criteria that encompass skill sets, integrity, and leadership qualities, aligned with their job descriptions. Additionally, diversity in experience, age and gender will also be considered. During the financial year under review, the diversity of Key Senior Management is detailed in the table below:</td></tr>
</table>

	Age Group					Gender		Nationality
	40-45	46-50	51-55	56-60	>60	Male	Female	Malaysian
Number of Key Senior Management	1	-	2	1	2	5	1	6

According to the Company's Board Charter, a Board member may accept a directorship with other listed issuers while in office, provided that the appointment does not conflict with the Company's business or adversely impact the Director's performance on the Board. All such appointments must be reported to the Board Chairman prior to acceptance, including an estimate of the time commitment required for the new role. The company secretaries must also be notified of any new appointments.

During the financial year under review, Mr Teng Tian Hee and Mr Fong Weng Meng were duly nominated and appointed.

Explanation for departure :

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :

Timeframe :

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	The Terms of Reference ("**TOR**") of the NC specifies that the identification of candidates for Board appointments shall not be limited to recommendations from existing Board members, Management, or major shareholders. The NC may also utilise independent sources, such as Directors' registry, industry and professional associations, open advertisements, and independent search firms, to find suitably qualified candidates. Currently, the process for identifying new Directors primarily relies on recommendations from the NC. The Board relies on its existing network and referrals from Directors and major shareholders to source new Directors, if necessary. The Board is of the opinion that this is a proven approach for sourcing high-calibre Directors with sound understanding of its business. The NC conducts an annual review on the Board's composition, assessing the factors such as appropriate size, required mix of skills and experience, core competencies, diversity, and the current and future needs of the Company before proposing any new appointments to the Board. During the financial year under review, Mr Teng Tian Hee and Mr Fong Weng Meng were duly nominated and appointed. 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 nomination by a substantial shareholder. The aforesaid Directors duly appointed were thoroughly assessed based on their competence, integrity, character, time commitment and experience as stated in Paragraph 2.20A of the Listing Requirements as well as the candidates' fit and proper criteria in accordance with the Directors' Fit and Proper Policy of the Company.

	However, the Board and the NC will not hesitate to utilise independent sources to identify suitably qualified candidates, when necessary.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application :	Applied	
Explanation on application of the practice :	The NC evaluates the performance, contribution, effectiveness, independence (where applicable), and overall fitness and propriety of the retiring Directors who are seeking for re-election. The profiles of Directors who are due for retirement and standing for re-election are detailed in the section on Directors' Profile of the Company's Annual Report for shareholders to make informed decision at the AGM.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application :	Applied	
Explanation on application of the practice :	The NC is comprised exclusively of INEDs and is chaired by Datuk Lee Chong Leng, an INED.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9
The board comprises at least 30% women directors.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	During the financial year under review, the Board comprised eight (8) Directors, of whom two (2) were female directors, namely Madam Ng Soh Hoon and Ms Chong See Ling, which represented twenty-five percent (25%) female representation on the Board. The Board recognises the importance of boardroom diversity and acknowledges the MCCG 2021 recommendation to achieve 30% female representation on the Board. To promote gender diversity, the Board has adopted a Gender Diversity Policy. With the support of the NC, gender diversity will be considered as part of the future selection criteria for Board candidates. In addition, the Board supports the initiative to include women representation on the Board to achieve a more gender diversified Board. Henceforth, suitably qualified female candidates who can contribute to the Board will be considered for appointment in the event of any vacancy arises or when a decision is made to expand the size of the Board. Nevertheless, to avoid any mismatch and ineffective appointment of female Directors, the Board will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of our Board when assessing the Board composition or identifying suitable candidates for appointment or re-election to the Board.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application :	Applied	
Explanation on application of the practice :	HPP Holdings has established a Gender Diversity Policy for the Company and the Group, which is available on the Group's website. The Gender Diversity Policy outlines measurable targets for the Group, which are to be achieved through: i) sustaining a balanced mix of Board structure that involves both male and female representatives with different skills, competencies and experiences, and are developed for Group's future leadership succession; ii) embracing equal treatment and acceptance for the benefit of all stakeholders; iii) ensuring the selection, promotion, retention and development for all without any gender-based consideration; iv) fostering mentorship and development opportunities for all identified candidates; and v) cultivating a corporate culture and working environment which is free from harassment and discrimination. During the financial year under review, female representation in the Board and the senior management constituted 25% and 45% respectively.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.	
Application :	Applied
Explanation on application of the practice :	During the FYE 2026, the Board, facilitated by NC, had carried out an annual evaluation for assessing the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director as well as the independence of INEDs. The evaluation was conducted on self and peer evaluation model through customised questionnaires that set out the assessment criteria as reviewed by the NC, which covered areas such as the Board mix, Board composition, quality of information and decision making, Boardroom activities and Board relationship with management. For individual Director assessment, the assessment includes evaluation of character, experience, integrity, competence and time commitment, independent Directors are also required to evaluate their level of independence based on the criteria of independence of Listing Requirements. The Directors completed the evaluation questionnaires on confidential basis. The results and comments by the Directors will then be summarised and discussed at the NC meeting and subsequently, reported to the Board at the Board meeting held thereafter. Based on the results of assessment, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and had sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review. All assessments and evaluations carried out by the NC in the discharge of its functions have been properly documented.
Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied	
Explanation on application of the practice :	The RC is primarily responsible for maintaining a fair and transparent remuneration framework and policies as well as the remuneration packages of the non-executive Directors ("**NEDs**"), EDs and Key Senior Management to ensure rewards commensurate with their contributions and to attract, motivate and retain talents with the competitive remuneration packages. Remuneration for NEDs, EDs and the Key Senior Management of the Company are driven by the Remuneration Policy for the Group. The RC is tasked with making recommendations to the Board regarding adjustments to remuneration and/or reward payments for Directors and Key Senior Management, considering their contributions and the Group's financial performance. The Remuneration Policy is made available for reference on the Group's website at www.hppholdings.com.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The Board has established a RC which consist of three (3) INEDs and is currently chaired by Ms Chong See Ling, an INED. The RC is tasked to assist in implementing the Company's policies and procedures pertaining to remuneration and to undertake the following responsibilities: • Review and recommend to the Board the remuneration policy and procedures for Directors and Management, including the fee structure and level of remuneration for EDs, GMD and Management. • Formulate policies, guidelines and set criteria for remuneration packages for the Directors and to ensure that the Directors are fairly and appropriately remunerated according to the general market sentiments or conditions; • Review and recommend to the Board on the remuneration of the NEDs, particularly on whether the remuneration remains appropriate to each Directors' contribution, by taking into account the level of expertise, commitment and responsibilities undertaken. • Review and recommend to the Board on the total individual remuneration package for EDs, GMD and Management including where appropriate, bonuses, incentive payments within the terms of the agreed remuneration policy and based on individual performance. • Review and recommend to the Board and subsequently to the shareholders' approval at a general meeting, the fees of the Directors and any benefits payable to the Directors including any compensation payable to the Directors in connection with any loss of employment of Director or former Director. Such compensation shall be determined in accordance with relevant contractual terms and shall be fair and not excessive for the Group;

	• Consider the appointment of independent experts to facilitate the RC in carrying out its functions; • Review any major changes in the Remuneration Policy and employee benefit structures throughout the Company or Group, and if thought fit, recommend them to the Board for adoption; • Consider and review any renewal of service contracts of the EDs as and when due, as well as any service contracts and remuneration package for newly appointed Directors prior to their appointment; and • Review and recommend to the Board regarding any proposed new employees' share option scheme to be given to the employees of the Group and/or amendments to the existing scheme. The TOR of RC is made available on the Group's website at www.hppholdings.com.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1
There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The remuneration of Directors for FYE 2026 is disclosed on named basis, with a detailed breakdown on the overleaf.

No	Name	Directorate	Company (RM'000)			Subsidiaries (RM'000)							Group (RM'000)						
			Fee	Allowance	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Lau Tee Tee @ Lau Kim Wah	Non-Executive Non-Independent Director	96	-	96	60	-	-	-	-	-	60	156	-	-	-	-	-	156
2	Kok Hon Seng	Executive Director	96	-	96	60	-	540	113	-	124	837	156	-	540	113	-	124	933
3	Ng Soh Hoon (1)	Executive Director	96	-	96	-	-	132	27	-	32	191	96	-	132	27	-	32	287
4	Philip Goh Teck Siang	Independent Director	78	3	81	-	-	-	-	-	-	-	78	3	-	-	-	-	81
5	Datuk Lee Chong Leng	Independent Director	48	3	51	-	-	-	-	-	-	-	48	3	-	-	-	-	51
6	Chong See Ling (2)	Independent Director	36	2	38	-	-	-	-	-	-	-	36	2	-	-	-	-	38
7	Teng Tian Hee (2)	Executive Director	20	-	20	60	-	-	-	-	-	60	80	-	-	-	-	-	80
8	Fong Weng Meng (2)	Non-Executive Non-Independent Director	20	-	20	-	-	-	-	-	-	-	20	-	-	-	-	-	20

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

Intended Outcome
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The remuneration of our top six (6) senior management are not disclosed on named basis but in bands of RM50,000 due to confidentiality, talent retention challenges and personal security concerns. Retention of senior management is critical to the successful implementation of our Group's strategy plan. The Board is of the view that the disclosure of remuneration of senior management will be detrimental to our Group as it may lead to other competitors in the same industry to 'poach' our experienced senior management personnel. Our Board also believes that the interest of our shareholders will not be prejudiced as a result of the non-disclosure of the top six (6) senior management's remuneration on a named basis. The aggregate remuneration (includes salary, allowances, bonus, benefit-in-kind and other emoluments) and band of remuneration of the top six (6) senior management of the Group for FYE 2026 are set out as follows:

Categories	Company (RM'000)	Subsidiaries (RM'000)	Total (RM'000)
Salaries	-	1,191	1,191
Fee	212	120	332
Bonus	-	208	208
EPF, SOSCO & EIS	-	230	230
Others	-	-	-
TOTAL	**212**	**1,749**	**1,961**

Range of Remuneration	Number of Senior Management
RM1 - RM50,000	-
RM50,001 - RM100,000	1
RM100,001 – RM150,000	1
RM150,001 – RM200,000	-
RM200,001 – RM250,000	-

	RM250,001 – RM300,000	3
	RM900,001 – RM950,000	1
	TOTAL	6
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up
Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application :	Applied	
Explanation on application of the practice :	The ARMC consists of three (3) members, all of whom are INEDs. Mr Philip Goh Teck Siang chairs the ARMC, whilst Mr Lau is the Chairman of the Board. This separation of roles allows the Board to objectively review the ARMC's findings and recommendations.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application :	Applied	
Explanation on application of the practice :	Section 2.0 of the ARMC's TOR specifies that a former audit partner of the Company must observe a cooling-off period of at least three (3) years before being eligible for appointment to the ARMC. Currently, none of the ARMC members was a former audit partner.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application :	Applied	
Explanation on application of the practice :	The ARMC is responsible for evaluating the capabilities and independence of the external auditors and recommending their appointment, re-appointment, or termination to the Board. To guide this process, the Board has established an External Auditors Assessment Policy, which outlines the process of selection and appointment, annual assessment and remuneration of the external auditors. The ARMC assesses the external auditors' performance, including their independence, competence, audit quality, resource capacity, and any non-audit services they provide. The external auditors are prohibited from offering any services that could impair their independence or conflict with their role. The external auditors have provided a written assurance to the ARMC confirming their independence throughout the audit engagement, in accordance with all relevant professional and regulatory requirements. The TOR of ARMC and the External Auditors Assessment Policy are made available on the Group's website.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The ARMC consists of three (3) members, all of whom are INEDs, namely: a. Mr Philip Goh Teck Siang (Chairman) b. Datuk Lee Chong Leng (Member) c. Ms Chong See Ling (Member)

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	The ARMC is established under the delegated authority of the Board and currently comprises three (3) INEDs. The ARMC members possess a broad range of skills, experience, and expertise, including financial knowledge across various industries, to effectively carry out their designated duties and responsibilities in alignment with the Group's mission and vision. Mr Philip Goh Teck Siang, the Chairman of the ARMC, is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). He brings to the ARMC and Board his extensive experience in strategic business planning and execution, business transformation and turnaround management, mergers and acquisitions, and financial management. Other ARMC members include Datuk Lee Chong Leng, who has expertise in tax advisory, audit, and corporate management, and Ms Chong See Ling, who has expertise in legal advisory, particularly on corporate and conveyancing law, labour law and civil litigation. Detailed information on the qualifications and experience of the ARMC members is provided in the Annual Report 2026. The details of the continuous professional development undertaken by ARMC members are as follows: • 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	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application :	Applied	
Explanation on application of the practice :	The Board acknowledges the importance of a robust risk management and internal control framework to safeguard shareholders' investments and the Group's assets as well as its responsibility for establishing and maintaining these systems. Consequently, the Group continues to uphold a comprehensive system of risk management and internal control. The Board affirms that risk management and internal controls are integrated into all aspects of the Group's operations, and it regularly reviews the adequacy and effectiveness of these systems to manage risks to acceptable levels. Nonetheless, the Board recognises that the systems of risk management and internal control are designed to manage these risks rather than to eliminate risks of failure to achieve its business objectives. Details of the risk management and internal control systems adopted by the Group for FYE 2026 are outlined in the Statement on Risk Management and Internal Control in the Company's Annual Report for FYE 2026.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application :	Applied	
Explanation on application of the practice :	The key features of the Group's risk management and internal control framework are detailed in the Statement on Risk Management and Internal Control in the Company's Annual Report for FYE 2026.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1
The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application :	Applied	
Explanation on application of the practice :	The Board places significant importance on establishing robust internal controls to safeguard the Group's assets and shareholders' interests. The Board has outsourced its internal audit function to Resolve IR Sdn. Bhd., an independent professional services firm. This outsourced function supports the ARMC in assessing and evaluating the adequacy and effectiveness of the Group's risk management, internal controls, and governance processes. The outsourced internal audit function periodically reviews key areas and daily operational processes within the Group. Their primary goal is to evaluate the effectiveness of the Group's systems related to risk management, internal controls, and governance. Internal audit activities are conducted according to a risk-based Internal Audit Plan approved by the ARMC. The outsourced internal audit function maintains its independence while carrying out its responsibilities. It reports to the ARMC and administratively to the Chief Financial Officer. Details of the activities undertaken by the outsourced internal audit function are provided in the ARMC Report in the Annual Report for FYE 2026.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2
The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application :	Applied
Explanation on application of the practice :	The Group has outsourced its internal audit function to an independent professional services firm, Resolve IR Sdn. Bhd. ("**Internal Auditors**"). The Internal Auditors have conducted their assessment and provided the ARMC with independent and objective assurance on the adequacy and effectiveness of the Group's risk management and internal control systems during the FYE 2026. Resolve IR Sdn. Bhd. ("**Resolve**") is a corporate member of the Institute of Internal Auditors, Malaysia, and is well-resourced with personnel having the appropriate qualifications and experience. The outsourced internal audit function is able to exercise its objectivity and independence, being free from any relationships or conflicts of interest that could impair its judgment. The work of the outsourced internal audit function is guided by the International Professional Practice Framework on Internal Auditing issued by the Institute of Internal Auditors. The internal audit reviews have been conducted using a risk-based approach, with specific audit areas detailed in the internal audit plan reviewed and approved by the ARMC. The internal audit team is led by Mr. Choo Seng Choon, Managing Director of Resolve, and assisted by the engagement director and engagement manager. The details of Mr. Choo are provided below:

Name	Choo Seng Choon
Qualification	• Certified Internal Auditor (CIA) and Chartered Member of the Institute of Internal Auditors (IIA) • Fellow Member of Association of Chartered Certified Accountants of UK (ACCA) • Chartered Accountant of Malaysian Institute of Accountants (MIA)

<table>
<tr><td></td><td>
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<tr><td></td><td>• Certified Public Accountant of the Malaysian Institute of Certified Public Accountants (MICPA)</td></tr>
<tr><td>Independence</td><td>Does not have any family relationship with any of Director and/or major shareholder of the Company</td></tr>
</table>
Information pertaining to the activities of the Internal Auditors are set out under the ARMC Report in the Annual Report for FYE 2026.
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<tr><td rowspan="2">Explanation for departure :</td><td></td></tr>
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<tr><td>Measure :</td><td></td></tr>
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Intended Outcome
There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1
The board ensures there is effective, transparent and regular communication with its stakeholders.

Application :	Applied	
Explanation on application of the practice :	The Board recognises the importance of promptly and equitably sharing of vital information with shareholders, investors, and the general public. Demonstrating a strong commitment, the Board diligently works to keep shareholders and stakeholders well-informed about the Company's business operations and corporate developments. This commitment is upheld by delivering informative, appropriate, and timely communication from the Company. Information is disseminated through various channels, including quarterly and annual financial reports, official announcements, press releases, and more, ensuring that investors stay updated on the Group's latest developments. To enhance accessibility to relevant information about the Group's activities, the Company maintains an official website at www.hppholdings.com. This online platform serves as a hub for shareholders, consumers, and the general public, facilitating easy access and promoting transparency and engagement. Investors can also contact HPP Holdings through their dedicated investor-related email at info@hppholdings.com for any matters concerning the Group.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application :	Not applicable – Not a Large Company	
Explanation on application of the practice :	The Company does not fall under the category of "Large Companies" as defined by the MCCG. Therefore, this recommended practice is not applicable.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1
Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application :	Applied	
Explanation on application of the practice :	The Seventh AGM was held on 31 October 2025. The Notice of Meeting was issued to shareholders on 26 September 2025, via publication on Bursa Malaysia's website and in a nationally circulated newspaper, which was more than twenty-eight (28) days prior to the date of holding Seventh AGM. The shareholders were accorded with sufficient time to consider the resolutions that were tabled at the Seventh AGM.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application :	Applied	
Explanation on application of the practice :	The Seventh AGM was physically convened and held in Melaka on 31 October 2025, allowing for better engagement and two-way communication with shareholders and proxyholders. All Directors and key senior management attended the Seventh AGM to engage and interact directly with shareholders and proxyholders, fulfilling their stewardship responsibilities to the Company. During the Seventh AGM, the Chairman of the Board and the Directors responded to and addressed all questions raised during the AGM.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3
Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	The Seventh AGM of the Company was physically held at Grand Swiss-Belhotel Melaka, Melaka on 31 October 2025. The Board has opted for a physical platform to facilitate better engagement with shareholders as it allows better flow of two-way communication at general meeting. Adequate notice of meeting was provided to all shareholders, and shareholders who were unable to attend the general meeting were allowed to appoint their proxies to attend, participate, speak, and vote at the AGM in their stead. In line with the intended outcome of this practice, the Board will consider adopting technology to enable voting in absentia and remote participation for shareholders in future general meetings when necessary.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4
The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.		
Application :	Applied	
Explanation on application of the practice :	The Chairman ensured ample opportunity for shareholders and proxyholders to engage with Board members during the AGM. Sufficient time was allocated for the Board to address questions raised by shareholders and proxyholders in the meeting. Key topics, including the Group's financial performance, the business strategies in response to the market competition, the expected revenue contribution from new paper pulp moulded packaging production line, and prospect and market size of the new industry of non-electrical household products, were actively discussed with shareholders and proxyholders. The Chairman of the Board responded to and addressed all questions received during the AGM.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.		
Application :	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice :	The Seventh AGM of the Company was physically held at The Straits 345, Level 7, Grand Swiss-Belhotel Melaka, 146, Jalan Hang Tuah, 75300 Melaka, Malaysia on 31 October 2025.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.		
Application :	Applied	
Explanation on application of the practice :	Minutes of the Seventh AGM held on 31 October 2025 was made available on the Group's website not later than thirty (30) business days following the convening of the Seventh AGM.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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