

HPP HOLDINGS BERHAD

REG.NO.201801043588 (1305620D)



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 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 2



MANUFACTURING SITE 3



MANUFACTURING SITE 4



MANUFACTURING SITE 5



MANUFACTURING SITE 6

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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.

History And Key MILESTONES

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.



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.



MyHP 00133/25



MyHS 00031/25

BOARD OF DIRECTORS

Lau Tee Tee @ Lau Kim Wah
Non-Independent Non-Executive Chairman
Kok Hon Seng
Executive Director / Group Managing Director
Ng Soh Hoon
Executive Director / Procurement Director
Philip Goh Teck Siang
Independent Non-Executive Director
Datuk Lee Chong Leng
Independent Non-Executive Director
Chong See Ling
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

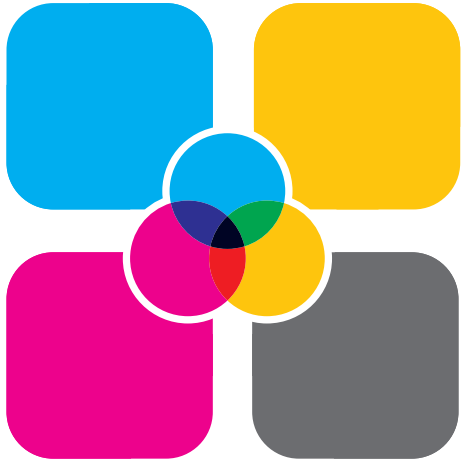
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Level 8, Menara CenTARa,
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: +603-2616 2888
Fax: +603-2616 3190 / 3191

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



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



BOARD OF
DIRECTORS



LAU TEE TEE @ LAU KIM WAH KOK HON SENG NG SOH HOON PHILIP GOH TECK SIANG DATUK LEE CHONG LENG CHONG SEE LING

LAU TEE TEE @ LAU KIM WAH

Non-independent
Non-executive
Chairman

KOK HON SENG

Executive Director /
Group Managing
Director

NG SOH HOON

Executive Director /
Procurement
Director

PHILIP GOH TECK SIANG

Independent
Non-executive
Director

DATUK LEE CHONG LENG

Independent
Non-executive
Director

CHONG SEE LING

Independent
Non-executive
Director



LAU TEE TEE @ LAU KIM WAH

NON-INDEPENDENT
NON-EXECUTIVE
CHAIRMAN

• AGE 76
• MALE
• MALAYSIAN
Date of Appointment
29 November 2018

■ WORKING EXPERIENCE

Mr. Lau has 37 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.



KOK HON SENG

EXECUTIVE DIRECTOR /
GROUP MANAGING
DIRECTOR

• AGE 68
• MALE
• MALAYSIAN
Date of Appointment
29 November 2018

■ WORKING EXPERIENCE

Mr. Kok has 35 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 Madam Ng Soh Hoon, a substantial shareholder and Executive Director / Procurement Director of our Group.

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

Board Committee Membership

Nil.

DIRECTORS' PROFILE



NG SOH HOON
EXECUTIVE DIRECTOR /
PROCUREMENT
DIRECTOR

- AGE 52
- FEMALE
- MALAYSIAN

Date of Appointment
10 December 2018

■ WORKING EXPERIENCE

In 1996, Madam Ng joined our Group as an Accounts Clerk and was responsible for overseeing accounts and administrative-related tasks. Subsequently, she was tasked with the responsibility of liaising with suppliers as well as managing procurement activities to ensure the required raw materials are made available at our warehouses in time for production.

In 2005, she assumed the position of Procurement Manager and in April 2021, she was re-designated as Procurement Director.

Academic And Professional Qualifications

Madam Ng completed her secondary education at SMK Tun Tuah, Melaka. 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 spouse to Mr. Kok Hon Seng, a substantial shareholder and Executive Director / Group Managing Director of our Group.

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

Board Committee Membership

Nil.



**PHILIP GOH
TECK SIANG**
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

- AGE 65
- MALE
- MALAYSIAN

Date of Appointment
18 November 2019

■ WORKING EXPERIENCE



**DATUK LEE
CHONG LENG**
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

- AGE 43
- MALE
- MALAYSIAN

Date of Appointment
18 November 2019

■ WORKING EXPERIENCE

Mr. Philip has more than 30 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.

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

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

DIRECTORS' PROFILE



CHONG SEE LING
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

- AGE 42
- FEMALE
- MALAYSIAN

Date of Appointment
09 May 2025

■ WORKING EXPERIENCE

Ms. Chong has more than 17 years of experience in various area of laws, 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 subsequently made as 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 agreement, shareholders agreement 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

Directorship In Public Companies And Listed Corporations

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

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 Madam Ng Soh Hoon have direct and / or indirect interest.

Save for the aforesaid Directors, none of the Directors have any conflict of interest with our Group.

Board Meetings

Please refer to Corporate Governance (“CG”) Overview Statement on page 48 of this Annual Report for the Directors’ meeting attendance records for the financial year under review.

KEY SENIOR MANAGEMENT’S PROFILE



LIM GIN FOO
CHIEF OPERATING OFFICER I

- AGE 44
- MALE
- MALAYSIAN

WORKING EXPERIENCE

Mr. Lim has over 20 years of combined experience in operation management, corporate development, and strategic leadership.

He worked in various functional roles across various industries namely engineering, equipment manufacturing, semiconductors, property development, infrastructure, technology, and consulting. His broad experience has provided him with a unique and comprehensive understanding of industry dynamics, as well as the ability to implement effective strategies for growth and efficiency.

Mr. Lim’s career also includes international posting experience in the US, China, Germany, Japan, and Singapore. This global exposure has enhanced his understanding of international operations and cross-cultural management.

He joined our group on 16 October 2023 as Chief Operating Officer I and is responsible to oversee and improve our Group’s day-to-day administrative and operational functions. He also focuses on group strategic planning, business development, public and investor relations, process improvement and optimisation as well as group sustainability efforts.

Academic And Professional Qualifications

Mr. Lim holds the below mentioned qualifications :

- B. Sc. Mechanical Engineering from Western Michigan University, USA.
- Masters of Business Administration from University of Southern Queensland, Australia.
- Certificate in Circular Economy and Sustainability Strategies from Judge Business School, Cambridge University, England.

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

Nil.

MANAGEMENT PROFILE

KEY SENIOR MANAGEMENT’S PROFILE



LIM SIZE MING
CHIEF OPERATING OFFICER II

- AGE 55
- MALE
- MALAYSIAN

■ WORKING EXPERIENCE

Mr. Lim brings over 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 a 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.



MAH CHEN WAH
CHIEF FINANCIAL OFFICER

- AGE 50
- MALE
- MALAYSIAN

■ WORKING EXPERIENCE

Mr. Mah has 26 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 licenses, permits and approvals related matters. In addition, he is also responsible in monitoring the compliance, application and renewal of such licenses, permits and approvals as well as overseeing investor relations, administrative and human resource 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.



NG SOH MOY
ADMINISTRATION & HUMAN RESOURCE MANAGER

- AGE 61
- FEMALE
- MALAYSIAN

■ WORKING EXPERIENCE

Madam Ng has 38 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 & Human Resource Manager in 2005 where she is responsible for leading, implementing and maintaining our human resources procedures and policies as well as handling of payrolls and trainings.

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 Madam Ng Soh Hoon, a substantial shareholder and 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.

SENIOR MANAGEMENT’S PROFILE



TENG TIANG CHIA
PRODUCTION MANAGER

- AGE 48
- MALE
- MALAYSIAN

■ WORKING EXPERIENCE

Mr. Teng has 31 years of experience in the printing industry.

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

He assumed the position of Production Manager in 2010 where he is 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.

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.

SENIOR MANAGEMENT’S PROFILE



LEE KUEI YONG

PRE-PRESS
MANAGER

- AGE 43
- FEMALE
- MALAYSIAN

■ WORKING EXPERIENCE

Madam Lee has 22 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.



NUR SYAFIQAH
BINTI HASSAN

QUALITY ASSURANCE
MANAGER

- AGE 35
- FEMALE
- MALAYSIAN

■ WORKING EXPERIENCE



TONG MAY FONG

QUALITY CONTROL
MANAGER

- AGE 51
- FEMALE
- MALAYSIAN

■ WORKING EXPERIENCE

Puan Syafiqah has 10 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.

Ms. Tong has 21 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.

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

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 our subsidiaries ("**Group**"), I am pleased to present our Annual Report for the financial year ended ("**FYE**") 31 May 2025.

The Financial Year Ended 31 May 2025 ("**FYE 2025**") was a year marked by continued global economic uncertainties with shifting market dynamics, and rising cost pressures. The Group faced subdued customer demand, intense price competition, and global headwinds, including geopolitical tensions and elevated freight costs, all of which impacted our operational performance. Evolving government policies — particularly those related to labour regulations, minimum wage adjustments, environmental compliance, and subsidy rationalisation — added further pressures to the operating environment, requiring continued agility and proactive response from the management team.

Against this backdrop, it is worth noting that earnings for companies in Malaysia's packaging industry have declined by an average of 9.7% annually over the past three years (*Simple Wall Street, 17 August 2025*). This industry-wide trend underscores the challenging environment in which we operated and provides context to the financial pressures experienced by the Group during the year.

Amidst continued pricing pressure from new entrants in the Malaysian printing and paper packaging market — particularly those competing through aggressive price under-cutting — the Group maintained its long-term approach by refraining from unsustainable pricing practices. Instead, we continue to focus on strengthening customer service, enhancing product quality, and improving production capabilities. Despite this challenging landscape, the Group remained resilient. The Group revenue recorded a moderate decline of 7.01% to RM64.10 million from RM68.93 million in FYE 2024, while profit before taxation declined by 29.53% to RM3.60 million from RM5.10 million, primarily attributable to lower revenue, margin compression, and sustained cost pressures, coupled with ongoing operational expenditures related to the Group's diversification and expansion initiatives, the full financial benefits of which have yet to materialise.

Chairman's STATEMENT

However, the diversification and expansion initiatives are gaining positive momentum. The paper pulp moulded packaging segment, in particular, saw a strong turnaround — moving from a segment loss of RM0.14 million in FYE 2024 to a profit of RM0.60 million in FYE 2025, reflecting growing market acceptance amid rising demand for eco-friendly packaging. This segment has gained encouraging traction, with its revenue contribution rising from 1.33% in FYE 2024 to 6.69% in FYE 2025. The Group also responded by diversifying its revenue streams, refining its product mix, and expanding into new markets. Notably, the non-electrical household industry — a new end-user segment targeted since FYE 2024 — recorded encouraging growth and contributed 10.58% to total revenue, further validating our strategic direction.

Financially, the Group maintained a solid position. Total equity attributable to owners of the Company rose to RM123.36 million, supported by healthy cash and bank balances (net of fixed deposits pledged) of RM40.82 million. With a gearing ratio of 0.12 times and a current ratio of 6.22 times, we continue to demonstrate strong liquidity and the ability to meet short-term obligations as well as to take advantage of any investment opportunities. Despite the softer earnings compared to FYE 2024, the Group remained profitable, backed by prudent risk management and sustained net assets per share of 31.74 sen.

As we pursue our strategic goals, we remain focused on:

- (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 of production efficiency and cost management;
- (iv) offering more innovative printing and packaging solutions, including nine (9) distinct options of coating solutions to our customers and expanding our environmental-friendly sustainable product development with paper pulp moulded packaging and diversifying our customer base across various industries; and
- (v) undertaking the Sedex 4-pillar follow-up audit to further improve our dutiful business practices and wellbeing of our employees.

Looking ahead, we remain cautiously optimistic about the industry's growth trajectory and the Group's role within it. Industry analysts project that Malaysia's paper packaging sector will grow by 24% annually over the next five years — a remarkable turnaround from its previous average annual decline of the same rate. (*Simple Wall Street, 17 August 2025*).

The Malaysian paper and pulp market, valued at approximately USD4.2 billion in 2024, is projected to reach USD6.8 billion by 2033, reflecting a compound annual growth rate ("**CAGR**") of 5.5% from 2025 to 2033. (*DataHorizon Research, 23 February 2025*). Meanwhile, the Malaysia corrugated boxes market is forecasted to grow from USD18.5 billion in 2025 to USD32.6 billion by 2031, supported by the rapid expansion of e-commerce, increased retail and industrial demand, and rising adoption of sustainable packaging solutions. (*Mobility Foresight, 28 July 2025*).

These positive industry outlook and projections align well with the Group's long-term strategy. As demand shifts toward high-performance and eco-friendly, we are in position to capitalise on emerging trends — particularly through our investments in the paper pulp moulded packaging segment and ongoing product innovation. While the broader outlook remains encouraging, we will be mindful of evolving global trade dynamics. The further potential imposition of tariffs by the United States on imported goods could lead to potential cost increase and adjustments in customer behaviour. In light of that, the Group is proactively monitoring the situation and assessing any potential risks to its operations and overall performance.

The Group will continue to execute its diversification strategy with discipline, expand into higher-value and ESG-aligned segments, and strengthen its regional footprint. These focused efforts reinforce our ambition to build lasting resilience and deliver sustainable value to our stakeholders — even amid shifting external conditions.

Chairman's **STATEMENT****ONE-STOP PRINTING AND PACKAGING SOLUTION PROVIDER**

Meeting and Exceeding Our Customers' Needs and Expectations are our Priority!

In FYE 2025, we enhanced our customer engagement by strengthening our customer service function to better support clients in the Central and Southern regions of Peninsular Malaysia. We also participated in the Fine Food, Melbourne Convention and Exhibition Centre ("MCEC") trade event in Australia to broaden our exposure and explore new market opportunities.

Recycling and environmental awareness have seen significant growth, both locally and globally. Our Group will continue expanding our product range in paper pulp moulded packaging – an eco-friendly, biodegradable, compostable, and recyclable solution. Moulded pulp packaging, made from recycled paper materials, offers both environmental and functional advantages, providing rigid protection and effective shock absorption for fragile goods. The commissioning of a fully operational paper pulp moulded packaging production line – equipped with both Dry and Wet Hot Press machines – has further strengthened our capacity to meet the growing demand for sustainable packaging solutions.

On 21 March 2025, as part of our ongoing commitment to sustainability, the Group was officially registered under the MyHIJAU Mark scheme by the Malaysian Green Technology and Climate Change Corporation ("MGTC"). This registration authorises the use of the MyHIJAU Mark on four (4) of our core products and packaging-related printing services, signifying compliance with recognised environmental standards. The approved products include flexo corrugated fibreboard, offset corrugated / non-corrugated fibreboard, and pulp trays. It also covers other printed materials such as leaflets, booklets, brochures, labels, and paper bags. These certified products and services are now listed in the MyHIJAU Directory, a national platform that promotes the sourcing and purchasing of green products and services in Malaysia, while also enabling access to green incentives and related green technology initiatives.

To date, we have proudly achieved total nine (9) certifications and recognitions, including 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), and Forest Stewardship Council ("FSC®") Certification.

Our innovative printing and packaging solutions include nine (9) different choices of coating solutions for our customers:

9

COATING SOLUTIONS

UV VARNISH

AQUEOUS COATING
(GLOSS/MATTE)

SOFT TOUCH

MATTE UV

BOPP LAMINATION
(GLOSS/MATTE)

CALENDARING

3D STAMPING

SPOT VARNISH
(GLOSS/MATTE/
TEXTURE)

3D EMBOSS

CORPORATE SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Since 2021, we have progressively installed solar panels across our facilities to reduce reliance on non-renewable energy sources. In FYE 2025, the Group expanded its renewable energy efforts by installing a solar system at another existing factory, increasing our total installed capacity from 747.11 kWp to 1,175.53 kWp. This expansion reflects our continued commitment to energy efficiency, carbon reduction, and long-term environmental sustainability. For FYE 2025, our solar initiatives are estimated to have reduced carbon dioxide emissions by approximately 1,259,514 kg – an improvement of 26.49% from 995,764 kg recorded in FYE 2024.

Our employees are among our most valuable assets. We provide our workers with safe and comfortable accommodations that fully comply with applicable government regulations, including the Akta Kerja 1955 (Pindaan 2022) and the Akta Kerja 1955.

Chairman's **STATEMENT**

In line with our commitment to responsible and ethical practices, the Group completed a follow-up SMETA audit in FYE 2025 to verify the implementation of corrective actions identified in the initial assessment conducted in FYE 2024. This process reinforced our focus on labour standards, health and safety, environmental stewardship, and business ethics, and further strengthened our alignment with international best practices.

On 9 January 2025 we welcomed 35 students from Universiti Teknologi MARA, Puncak Alam, Selangor, for a field trip to our factory. The visit offered firsthand exposure to our printing technologies and sustainable packaging production processes.

To strengthen rapport and promote work-life balance, the Group organises weekly staff badminton games at a local sports complex, alongside festive gatherings such as our Hari Raya and Chinese New Year celebrations, encouraging team spirit and a positive workplace culture.



Chairman’s STATEMENT

Our Sustainability Statement, found on pages 28 to 47 of this Annual Report details the initiatives we’ve taken to mitigate environmental impact, ensure employee safety and wellbeing, and reinvest in the community.

In line with our commitment to social responsibility, the Group continued to support community wellbeing through various initiatives during the year. We organised a beach clean-up at Pantai Puteri, Melaka, where staff participated in removing litter from the shoreline. A cash donation was also made to Kechara Soup Kitchen Society, and our staff volunteered to assist in packing food and household essentials for distribution to underserved communities in Melaka. Additionally, we co-organised a blood donation drive with AEON Mall Bandaraya Melaka, which successfully recorded 135 qualified donors and 142 registered participants. We remain committed to making a positive impact and will continue fostering meaningful engagement with the communities around us as part of our broader sustainability journey.

DIVIDENDS

Our Group’s total declared and paid-up dividend for FYE 2025 was 0.50 sen (FYE 2024: 0.50 sen) per ordinary share.

APPRECIATION

On behalf of Board and management, I would like to express my heartfelt thank you to all our employees across our Group for their commitment. Your tremendous efforts and fantastic team work throughout the year are commendable and most appreciated.

To my fellow Board members, I would like to express my profound appreciation for your invaluable guidance, counsel and advice during these last four (4) years subsequent to our listing.

Lastly, I truly appreciate all the confidence and patience placed on us by all our external stakeholders, including but not limited to our valued customers, business partners, advisors, bankers, suppliers and the authorities for their support. I am confident and excited to lead our Group to achieving greater heights with the inspiring support from our team of colleagues, management and employees.

Thank you.

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



Management Discussion And ANALYSIS

01. BUSINESS AND OPERATIONAL OVERVIEW

Established nearly three decades ago, our 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. Our listing on the ACE Market of Bursa Malaysia Securities Berhad on 20 January 2021 marked a key milestone, supporting our expansion and visibility in the market.

Operating from Melaka, we specialise in full-colour offset and flexographic printing, offering a wide range of packaging products including corrugated and non-corrugated boxes, brochures, leaflets, labels, paper bags, and rigid boxes. To support our clients’ Environmental, Social and Governance (“ESG”) goals, we also produce paper pulp moulded packaging, reflecting our commitment to sustainable solutions.

We serve diverse end-user industries such as electrical and electronics (“E&E”), pharmaceutical, sheath contraceptive, food and beverage, and non-electrical household products. Our customer-centric approach and ability to offer customised solutions have led to strong, recurring business relationships with our esteemed clients.

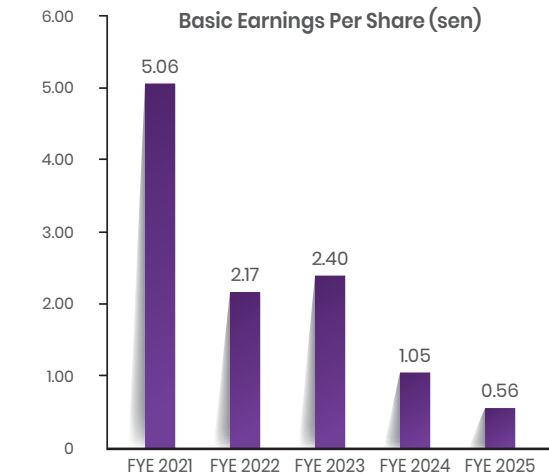
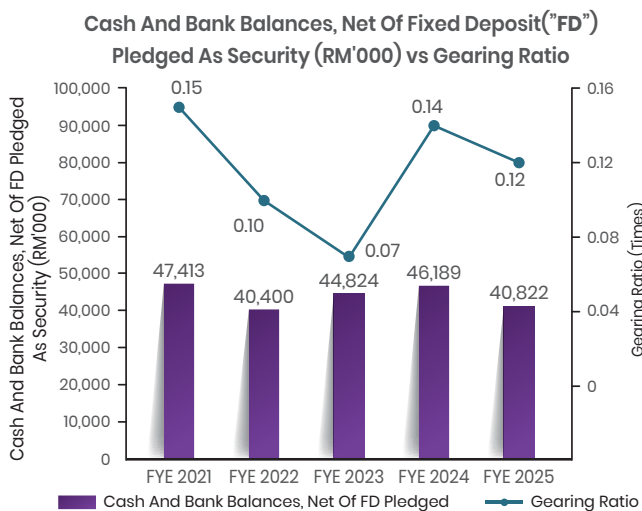
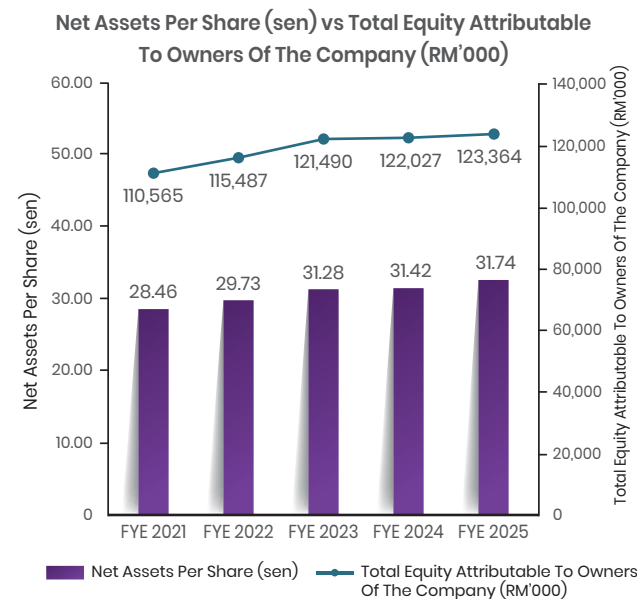
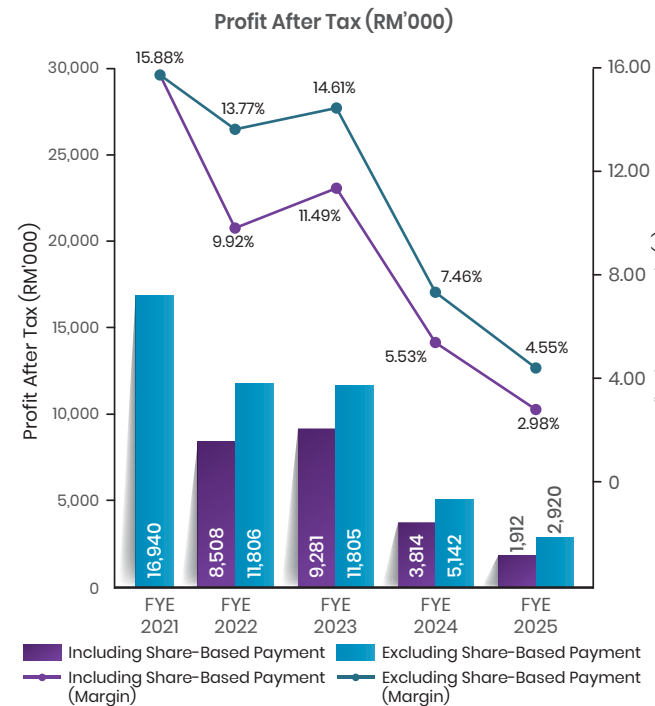
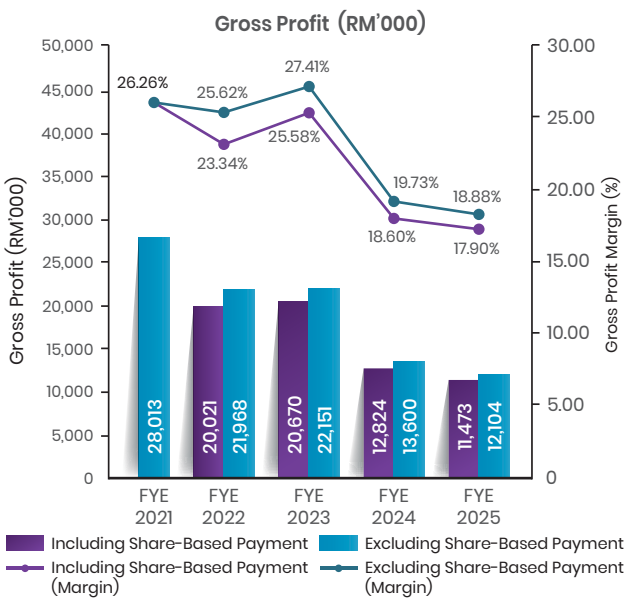
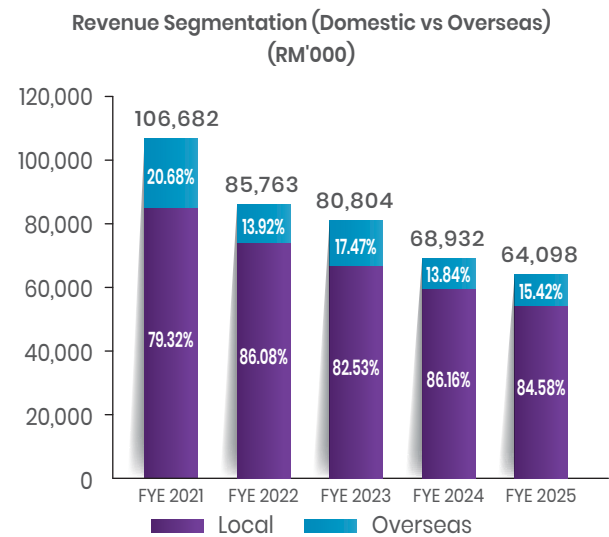
While Malaysia remains our core market, we also serve customers in Singapore, Thailand, the USA, and Taiwan, and continue to serve Malaysian-based clients with overseas operations.

Throughout FYE 2025, we focused on operational efficiency, product quality, and expanding our market, whilst closely monitoring the pulse of industry and dynamic global market conditions.

02. FINANCIAL HIGHLIGHTS

FYE 31 May		2021	2022	2023	2024	2025
Financial Performance						
Revenue	RM'000	106,682	85,763	80,804	68,932	64,098
Gross profit	RM'000	28,013	20,021	20,670	12,824	11,473
Profit before taxation	RM'000	18,973	11,514	12,850	5,101	3,595
Profit after taxation	RM'000	16,940	8,508	9,281	3,814	1,912
Gross profit margin:						
Including the effect of share-based payment	%	26.26	23.34	25.58	18.60	17.90
Excluding the effect of share-based payment	%	26.26	25.62	27.41	19.73	18.88
Profit after tax margin:						
Including the effect of share-based payment	%	15.88	9.92	11.49	5.53	2.98
Excluding the effect of share-based payment	%	15.88	13.77	14.61	7.46	4.55
Financial Position						
Issued share capital	RM'000	90,208	90,208	90,208	90,208	90,328
Total equity attributable to owners of the Company	RM'000	110,565	115,487	121,490	122,027	123,364
Total assets	RM'000	152,787	147,207	148,162	158,825	158,654
Total borrowings (including lease liabilities)	RM'000	16,897	11,048	8,667	17,529	14,942
Current ratio	Times	4.68	4.02	5.43	6.16	6.22
Quick ratio	Times	4.02	3.29	4.55	5.40	5.44
Gearing ratio	Times	0.15	0.10	0.07	0.14	0.12
Net assets per share	Sen	28.46 ⁽ⁱ⁾	29.73 ⁽ⁱⁱ⁾	31.28 ⁽ⁱⁱ⁾	31.42 ⁽ⁱⁱ⁾	31.74 ⁽ⁱⁱⁱ⁾
Basic earnings per share	Sen	5.06	2.17	2.40	1.05	0.56
Dividend in respect of the financial year	RM'000	7,769	5,826	5,826	1,942 ⁽ⁱ⁾	1,942 ⁽ⁱ⁾

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



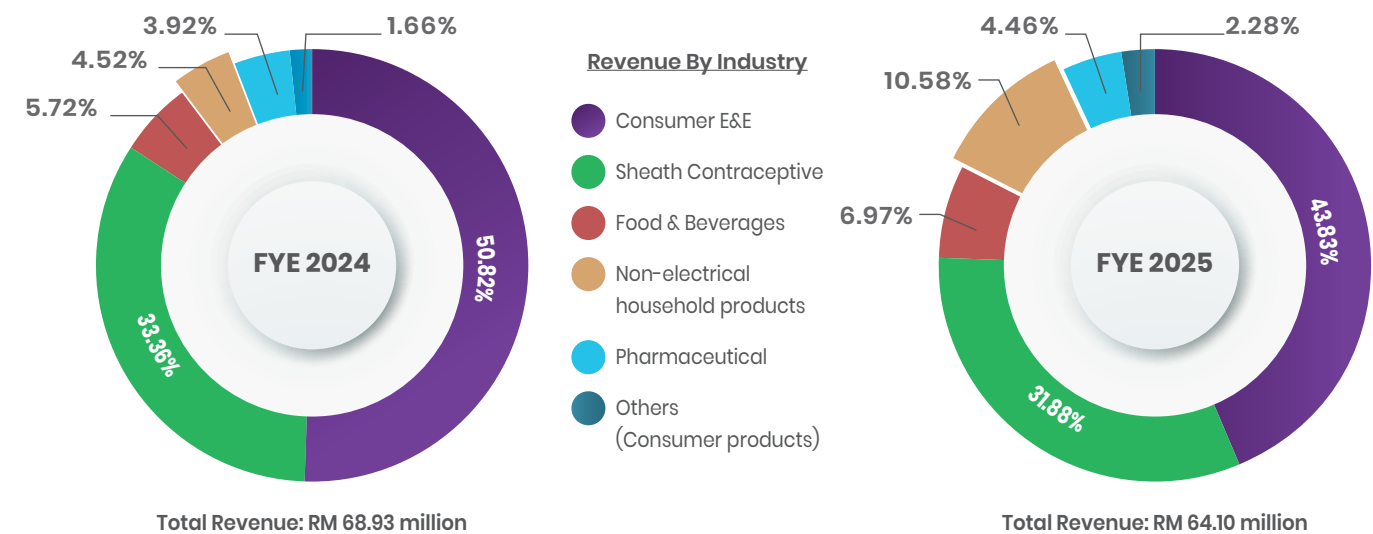
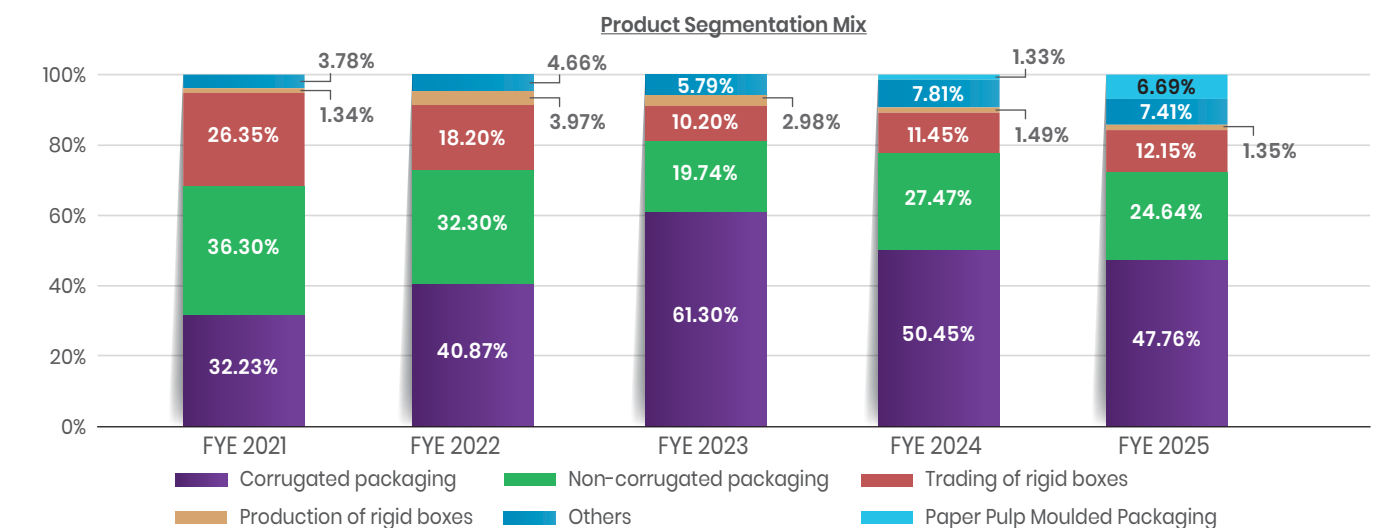
I. Financial Review

Amid subdued market demand, intense price competition, and ongoing economic headwinds, the Group faced mounting pressures across both international and domestic fronts. Rising operating costs and shifting customer expectations were compounded by new regulatory developments — particularly in areas such as labour requirements, minimum wage adjustments, environmental compliance, and subsidy rationalisation. The Group operated within a persistently challenging business environment throughout the financial year ended 31 May 2025. Collectively, these factors had a significant impact on the Group's financial performance.

Profit before taxation ("PBT") declined by 29.53% to RM3.60 million, compared to RM5.10 million in FYE 2024. Profit after taxation ("PAT") also decreased by 49.85% to RM1.91 million (FYE 2024: RM3.81 million), primarily due to a lower revenue, compressed margins, and cost pressures. Consequently, basic earnings per share ("EPS") fell to 0.56 sen from 1.05 sen in the previous year.

Revenue for the year amounted to RM64.10 million, representing a 7.01% decline from RM68.93 million in FYE 2024.

Nonetheless, the Group has shown resilience through agility and flexibility in responding to the external challenges. By maintaining a consistent focus on product quality, reliability, and innovation, we have continued to offer a diverse portfolio of sustainable packaging and paper solutions that align with emerging customer and market expectations.



Management Discussion And ANALYSIS

Over the five financial years from FYE 2021 to FYE 2025, our Group has achieved a more balanced revenue mix. While non-corrugated packaging remains the largest contributor, its proportion gradually decreased from 61.30% in FYE 2023 to 47.76% in FYE 2025 as the Group diversified its offerings.

Corrugated packaging, maintained a significant share, contributing 24.64% in FYE 2025. Encouragingly, paper pulp moulded packaging revenue have gained traction, with the latter increasing from 1.33% in FYE 2024 to 6.69% in FYE 2025, reflecting growing demand for sustainable packaging solutions. This segment also recorded a financial turnaround, improving from a segment loss of RM0.14 million in FYE 2024 to a profit of RM0.60 million in FYE 2025.

As part of the Group’s strategic diversification efforts initiated in FYE 2024, the non-electrical household industry recorded positive growth, with its revenue contribution rising from 4.52% in FYE 2024 to 10.58% in FYE 2025. This expansion shows good potential for this market segment, aligning with the Group’s effort to diversify its revenue base and enhance long-term stability. The Group’s dependency on E&E industry has declined from 50.82% to 43.83%, bringing it below the 50% threshold.

The Group’s revenue continued to be predominantly driven by the domestic market, accounting for 84.58% of total revenue. The percentage of revenue from exports was slightly higher at 15.42% in FYE 2025, but continues to be plagued by escalating geopolitical tensions, higher sea freight charges, and the imposition of US tariffs.

Over the past three financial years, revenue declined from RM80.80 million in FYE 2023 to RM64.10 million in FYE 2025. This is primarily due to changing customer demand and global market conditions. However, the shift toward higher value-added and ESG-aligned products is favourable for the Group.

II. Financial Position

The Group continued to maintain a strong financial position, with total equity attributable to owners of the Company rising steadily to RM123.36 million in FYE 2025 and total assets remaining stable at RM158.65 million. Our liquidity position remains robust, supported by

healthy cash and bank balances (net of fixed deposits pledged), which stood at RM40.82 million in FYE 2025. The Group’s current and quick ratios improved consistently over the five-year period, reaching 6.22 and 5.44 times respectively, indicating strong capacity to meet short-term obligations and any investment opportunities that may arise.

The slight increase in gearing in 2024 from 2023 was attributed to strategic investments in new production lines for our paper pulp moulded packaging segment, as well as the development of a new factory site to alleviate congestion at our existing facility.

While profitability has softened in recent years, the Group remains resilient with a solid balance sheet and strong fundamentals that provide a stable platform for future recovery and growth.

III. Capital Expenditure

During FYE 2025, the Group continued to invest in key areas to support operational needs and improve long-term efficiency.

(a) In October 2024, the Group completed the installation of a solar system at its existing factory in Jalan TTC 30, Taman Teknologi Cheng, Melaka. This initiative, fully funded through internally generated funds, is part of our ongoing efforts to manage energy costs and support environmental sustainability.

(b) In April 2025, the Group acquired a dry hot press paper pulp moulded packaging machine to enhance production capability in this growing segment.

(c) The Group also completed the construction of a new factory and foreign workers’ hostel at Taman Tasik Utama, Melaka, on leasehold land acquired in September 2023. The facility obtained its Certificate of Completion and Compliance (“CCC”) on 31 December 2024 and is now operational, supporting the Group’s paper pulp moulded packaging line. These investments are aligned with the Group’s goal of improving efficiency and supporting future business expansion.

Management Discussion And ANALYSIS

03. ANTICIPATED OR KNOWN RISKS AND MITIGATING PLANS AND STRATEGIES

I. Regulatory Requirements

The Group operates within a regulatory framework governed by federal, state, and local authorities, including the Ministry of Investment, Trade and Industry, the Ministry of Home Affairs, and the Ministry of Natural Resources and Environmental Sustainability. Compliance is required across various areas such as environmental protection, waste management, product safety and labour regulations. Non-compliance may lead to fines, operational delays, or reputational impact, particularly as regulations evolve in areas like sustainable packaging and industrial emissions.

To date, the Group has successfully renewed all necessary approvals, licenses, and permits essential to its operations. These renewals are subject to ongoing inspections and assessments. 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 remains the Group’s primary raw material, and fluctuations in global paper prices have a significant impact on our production costs and profitability. External factors such as paper commodity price volatility, natural disasters, regulatory changes, general economic conditions, and rising labour costs may further amplify this impact. Although there has been some intermittent relief in raw material prices over the past year, paper and recycled paper prices may still be subject to potential volatility in the future caused by increased input costs, energy prices, and challenges in the supply chain.

To manage this risk, the Group has adopted several proactive measures. These include bulk purchasing during favourable pricing conditions, closely monitoring raw material costs, optimising production efficiency, and minimising wastage. We also maintain strong relationships with our suppliers – 94% of whom are local – to ensure supply continuity. At the same time, overseas sourcing continues to support price competitiveness and supply diversification. The Group may pass on significant cost increases to customers where feasible; however, we recognise that full cost recovery may not always be achievable, which consequently could affect our financial performance.

Recovered paper is a key input for our paper pulp moulded packaging segment. To ensure reliable supply, we work closely with our appointed recovered paper agent and have also started recycling suitable recovered paper internally for production use. The Group will continue to maintain an optimum level of paper inventory to better manage potential shortages or sudden price hikes, while safeguarding production continuity and product quality.

III. Ability To Maintain Quality And Exceed Customers’ Expectations

The Malaysian printing and packaging industry continue to face intense competition, particularly from the new entrants from China offering competitive pricing.

In response, the Group continues to strengthen its market position by consistently delivering high-quality packaging solutions, reliable service, and timely delivery. Our ability to meet evolving customer expectations is supported by ongoing efforts to narrow performance gaps and align closely with the latest industry innovations. We actively conduct market analysis to monitor current product trends, including the growing demand for eco-friendly and sustainable packaging, and are committed to expanding our product offerings in this space. As a testament to these efforts, the Group was officially registered under the MyHIAU Mark scheme by the Malaysian Green Technology and Climate Change Corporation (“MGTC”) on 21 March 2025, authorising the use of the mark on four (4) core products and printing services for our packaging – reinforcing our commitment to environmental responsibility and green product development. We keep abreast of advancements in latest printing technology and other market developments to ensure we remain competitive, relevant, and responsive to the industry trends.

The Group also places strong emphasis on quality assurance. We adhere to the ISO 12647-2 standard for print quality control and we have earned recognitions through Graphic Measures International (“GMI”), G7 Master Colorspace Qualification and Fogra 51L certifications. These certifications reflect our commitment to colour accuracy, production consistency, and meeting the stringent quality expectations of our global customer base.

IV. Human Capital

The Group recognises that a skilled and committed workforce is essential to maintaining operational excellence and sustaining long-term growth. However, the industry continues to face challenges due to a shortage of skilled labour, where access to trained operators remains limited. This may constrain productivity and affect the scaling of operations. Furthermore, changes in government policies – such as adjustments to the minimum wage and regulatory requirements for foreign workers – will lead to increased labour costs and operational pressure.

To address these challenges, the Group has adopted a proactive human capital strategy. We collaborate with vocational colleges through structured internship programmes and participate in job fairs organised by the Ministry of Human Resources to attract and nurture local talent. Selected interns and new hires receive on-the-job training and coaching, with opportunities to transition into full-time roles supported by competitive compensation. In parallel, the Group continues to invest in upskilling existing employees, particularly in operating advanced machinery and adopting new software technologies. To reduce dependency on specific individuals, we have implemented structured succession planning and talent development initiatives. Additionally, the Group offers competitive compensation and benefits, including the Employee Share Option Scheme (“**ESOS**”), to retain critical talent and ensure long-term workforce stability.

Our workforce comprises both local and foreign workers, all of whom are integral to our operations, especially in running printing and paper pulp moulded packaging machineries. We maintain fair and ethical labour practices in line with international standards. The Sedex Members Ethical Trade Audit (“**SMETA**”) process for our Group commenced in FYE 2024, reflecting our commitment to upholding ethical, safe, and fair workplace practices. In FYE 2025, we carried out the follow-up assessment and implemented corrective actions identified during the initial audit. The audit covered key areas including Labour Standards, Health & Safety, Environment, and Business Ethics, and involved all categories of workers at our site – ranging from direct employees to agency workers, service providers, and contractors. These efforts underscore our continued dedication to aligning operations with international standards and safeguarding the rights and welfare of our workforce.

Foreign employees are treated equitably, enjoying the same entitlements as local staff – including rest days, public holidays, salary scales, and other benefits. They are also provided with accommodations that comply with the Employee Minimum Standard of Housing, Accommodations and Amenities Act 1990 (“**EMSHAAA 1990**”).

In summary, by fostering a safe, inclusive, and development-focused workplace, the Group continues to ensure stable operations and deliver high-quality packaging solutions to our customers.

V. Foreign Currency Risk

The Group is exposed to foreign currency exchange fluctuation risk, particularly due to export sales transacted in USD and SGD, as well as imports of paper raw materials and machinery primarily denominated in USD and RMB. These exposures may be affected by volatile currency movements and shifting global economic conditions. In the United States, inflationary pressures are anticipated to rise modestly, especially if tariff disparities with China and other exporters continue to disrupt global input costs. This is further compounded by the softening of the US dollar, which may reduce the relative pricing attractiveness of our products in the export market. As a result, the Group continues to monitor its pricing strategy closely to mitigate potential margin pressures and remain competitive.

To mitigate the overall foreign currency risk, the Group adopts natural hedging practices, where both sales and purchases are matched in corresponding foreign currencies. While we do not currently engage in active foreign exchange hedging, we maintain prudent cash flow and liquidity management to reduce our exposure to currency volatility. The Group continuously monitors currency trends and economic indicators to assess potential impacts on procurement and revenue.

Where necessary, we will take proactive steps to reduce foreign exchange risk in our purchasing and supply chain arrangements – both locally and internationally – by negotiating appropriate pricing terms or diversifying sourcing options. These measures, coupled with disciplined financial planning, allow the Group to manage foreign currency risk while maintaining cost competitiveness and operational resilience.

04. Our Group’s Future Plans And Growth

The Group remains cautiously optimistic about its long-term prospects, despite ongoing macroeconomic challenges such as geopolitical tensions, inflationary cost pressures, and softening consumer sentiment. In response, we are executing a clear and focused growth strategy aimed at strengthening resilience, capturing new market opportunities, and delivering long-term value to shareholders and stakeholders.

The Malaysian paper and pulp market were valued at approximately USD4.2 billion in 2024 and is projected to reach USD6.8 billion by 2033, reflecting a compound annual growth rate (“**CAGR**”) of 5.5% from 2025 to 2033. (*DataHorizon Research, 23 February 2025*).

The Malaysia corrugated boxes market is projected to grow from USD18.5 billion in 2025 to USD32.6 billion by 2031, expanding at a CAGR of 9.7% during the forecast period. This growth is fuelled by the exponential rise of e-commerce shipments, the shift toward sustainable packaging, and increased industrial and retail usage. Demand for high-strength, moisture-resistant, and easy-to-assemble boxes will rise in food delivery, pharmaceutical, and electronics sectors. (*Mobility Foresight, 28 July 2025*).

A key priority for the Group moving forward is the diversification of revenue streams. We are actively expanding into adjacent market segments, including non-electrical household products, to broaden the Group’s income base. In line with efforts to enhance sales capabilities, the team is now focused on exploring new opportunities – particularly in the Central and Southern regions of Peninsular Malaysia – with the aim of increasing market presence and customer reach.

The Group is keeping abreast of technological developments and continues to explore opportunities in automation, systems integration, and advanced printing technology. The adoption of state-of-the-art machinery could enhance production capabilities, improve print precision, and shorten turnaround times – ultimately supporting greater value delivery to customers. These initiatives are expected to improve operational efficiency, help manage production costs, and strengthen customer engagement over time.

Sustainability remain central to our long-term strategy. We are scaling up our eco-friendly paper pulp moulded packaging offerings in response to rising consumer awareness and tightening environmental regulations. These initiatives not only support our ESG commitments but also align with shifting customer preferences away from environmental harmful packaging materials.

Whilst we anticipate the global market uncertainties will continue in the foreseeable future, barring unforeseen circumstances, we remain cautiously positive in our outlook for FYE 2026 and will focus on sustaining a healthy financial performance for the Group.

01. INTRODUCTION

I. Sustainability Reporting

Our Group is dedicated to creating long-term value and ensuring sustainability for our stakeholders. To achieve this, our Group has integrated sustainability-focused practices across all areas of our business operations.

HPP Holdings is proud to present our Sustainability Statement (“**Sustainability Statement**”), which outlines our Group’s Environmental, Social, and Governance (“**ESG**”) performance. This Sustainability Statement communicates our Group’s journey towards embedding sustainability in our business and daily operations whilst considering the interests of our stakeholders and business growth. This Sustainability Statement also highlights HPP Holdings’ approach to sustainable development, the management of ESG risks and opportunities, after considering the impact to our business, and endeavours on the ESG facets our Group interacts with.

II. Scope And Boundaries

HPP Holdings is an investment holding company while our subsidiaries are involved in the printing, production as well as sales and marketing of paper-based packaging business. The scope of this Sustainability Statement mainly relates to our Group’s printing and packaging production businesses in Malaysia and where available, this Sustainability Statement also provides comparative historical data.

III. Reporting Period And Cycle

This Sustainability Statement describes our Group’s sustainability activities covering both, financial and non-financial aspects for the period from 1 June 2022 to 31 May 2025, and up to the date of this Sustainability Statement.

IV. Guidelines And Standards

We are pleased to present our Sustainability Statement prepared in accordance with the Sustainability Reporting Guide issued by Bursa Securities (“**SRG**”).

Our Group has considered key sustainability matters as guided and defined by both the Global Reporting Initiative (“**GRI**”) on Sustainability Standards and SRG.

V. Governance Structure

Our Board adopts a sustainability governance approach that is fit for our Group’s purpose, after considering, among other factors, our culture, needs, sustainability-related risks and opportunities and level of maturity of the sustainability intellect and readiness.

The diagram below highlights the key roles and responsibilities of HPP Holdings in relation to ESG matters:



02. MATERIALITY ASSESSMENT PROCESS

I. Objectives

The objective of the materiality assessment is to assist HPP Holdings better identify material sustainability matters, improve our Group’s strategic planning, implementation and decision-making processes. This also enables our stakeholders to make more informed decisions.

Our Board has decided to narrow the scope of the materiality assessment and related sustainability disclosures to focus solely on the active companies within our Group. This scope, in terms of operations, is limited to the printing and production of paper-based packaging, including corrugated, non-corrugated and paper pulp moulded packaging as well as other printed products such as brochures, leaflets, labels, paper bags, and the trading and production of rigid boxes.

II. Stakeholder Engagement

HPP Holdings’ stakeholders are individuals and groups affected by our Group’s business decisions and activities, as well as those whose actions and decisions impact our Group’s business growth. HPP Holdings maintains ongoing engagement with its stakeholders, which enables our Group to identify and align the stakeholders’ key priorities and concerns within our Group’s business practices, integrate them into our Group’s business practices and strategies to effectively address material sustainability matters.

Set out below are the various types of stakeholder engagements as well as the areas of interest identified together with the appropriate responses to address such interests arising:



Investors and Shareholders		
Engagement Focus & Objectives	Engagement Approach	Initiative
• Business performance and direction • Prospects and strategies • Return on investment • Business continuity and risks • Liquidity of shares	• Quarterly reporting and regular audit • Financial performance results • Quarterly reports • Annual reports • Annual General Meeting	• Diversity of board members with different, backgrounds, experiences, and perspectives
Customers		
Engagement Focus & Objectives	Engagement Approach	Initiative
• Product quality • Lead time • Product prices and value of products • Rate of return and defects • Procurement strategies	• Quality management system • Competitive pricing • Continuous engagement with customers to improve product quality	• Inspection activities for product quality • Close communication with customers to understand their requirements • Set KPIs for customer complaint to ensure prompt response and follow-up up to closure • Continuous development of product and product costing
Suppliers / Subcontractors		
Engagement Focus & Objectives	Engagement Approach	Initiative
• Product specifications, delivery requirements, payment terms and quality standards • Business conduct, ethics and integrity • Opportunity to supply and conduct of business	• Regular communication on requirements • Product improvement • Feedback on products and services	• Provide business support • Provide accurate forecast and lead time given • Source for a backup subcontractor / supplier
Community		
Engagement Focus & Objectives	Engagement Approach	Initiative
• Financial support and aid • Social responsibility • Environmental awareness and education • Livelihood support • Equal opportunity • Employment opportunity	• Corporate Social Responsibility (“CSR”) events and programmes • Job opening	• Engage local suppliers and workers • Employment opportunities

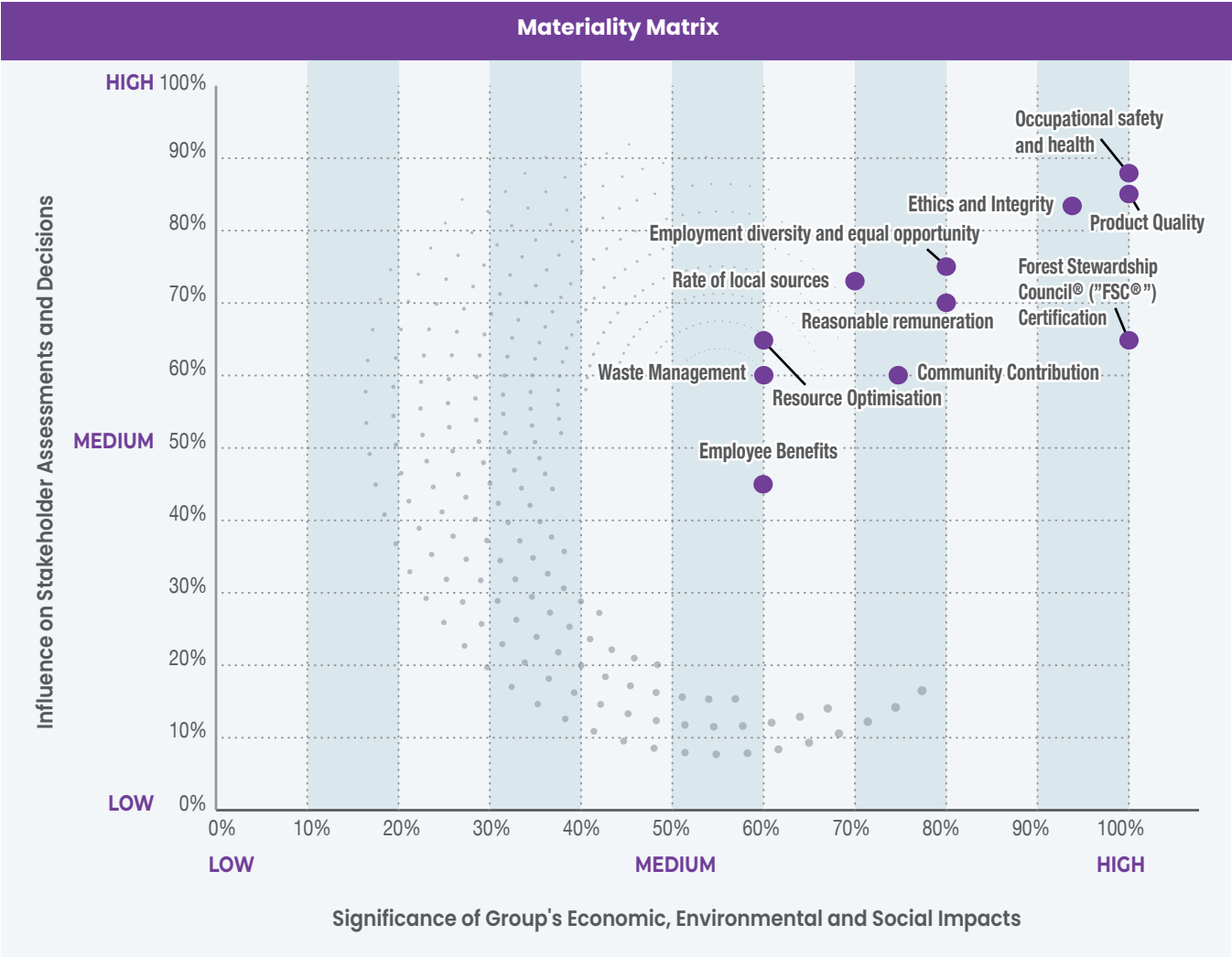
Government and Regulators		
Engagement Focus & Objectives	Engagement Approach	Initiative
• Regulation, governance and legal requirements and standards • Timely adherence • Transparency and prompt disclosures	• Reporting and communications • Timely renewal and compliance • Monitoring of compliance status (e.g. legal checklist)	• Monitor relevant approvals / permits expiry and prompt renewal • Appoint a competent person to be in charge of applicable regulations
Employees		
Engagement Focus & Objectives	Engagement Approach	Initiative
• 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	• 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		
Engagement Focus & Objectives	Engagement Approach	Initiative
• Loans and financing business expansion • Enhance working capital	• Loan covenant • Compliance reporting • Loan repayment	• Report relevant ESG performance in our annual report • Provide financial performance and corporate development in timely manner

Taking into account concerns and feedback received from HPP Holdings’ stakeholder groups during the engagement process, our Group identifies and prioritises issues and matters which are most relevant to each of the stakeholder groups. Each stakeholder group is assessed by our Board based on the influence on the achievement of our strategic objectives and its impact on our Group’s businesses and operations.

With reference to the SRG and in the context of our Group, the prioritised sustainability matters that have been identified are illustrated in the following sections.

III. Prioritisation Of Sustainability Matters (Materiality Assessment)

Our Group has identified key sustainability matters that materially impact our Group’s sustainability areas or significantly influence the assessments and decisions of stakeholders. Pursuant to the stakeholders’ engagement as mentioned above together with a desktop review of our Group’s business operations, risks and opportunities, a materiality assessment has been undertaken to identify and prioritise sustainability matters affecting our Group’s sustainability goals. Accordingly, the material sustainability initiatives undertaken by our Group are illustrated in the diagram below:



The activities undertaken in respect of such initiatives / matters are set out in the following sections.

03. SUSTAINABILITY ACTIVITIES

I. Economic

(A) Product Quality

Our Group specialises in the printing and production of paper-based packaging, comprising corrugated, non-corrugated and paper pulp moulded packaging as well as other printed products such as brochures, leaflets, labels and paper bags as well as trading and production of rigid boxes. The two (2) subsidiaries that are principally involved in such printing and production are Hayan Prints and Envy Premium.

Rejection Rate

As a responsible supplier, our Group places the highest priority on product quality. To ensure compliance with quality standards, we have developed and implemented rigorous quality control (“QC”) procedures and standard operating procedures for our production team. QC inspections are conducted on a sampling basis at every critical stage of production process.

Defective items are identified and rejected during the production process prior to delivery to our customers. Furthermore, the root causes of rejection and corrective actions are identified and closely monitored by management to improve productivity and minimise wastages.

The rejection rates by various departments and entities are tabled below:

Hayan Prints			
Department	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Printing	0.03%	0.17%	0.10%
Lamination	0.03%	0.00%	0.00%
Die Cut	0.03%	0.02%	0.03%
Gluing	0.01%	0.01%	0.01%
Subcontractor Varnish	0.21%	0.01%	0.06%
Paper / Single Face	0.12%	0.04%	0.01%
Average	0.07%	0.04%	0.03%
Paper Pulp	-	2.16%*	1.25%*

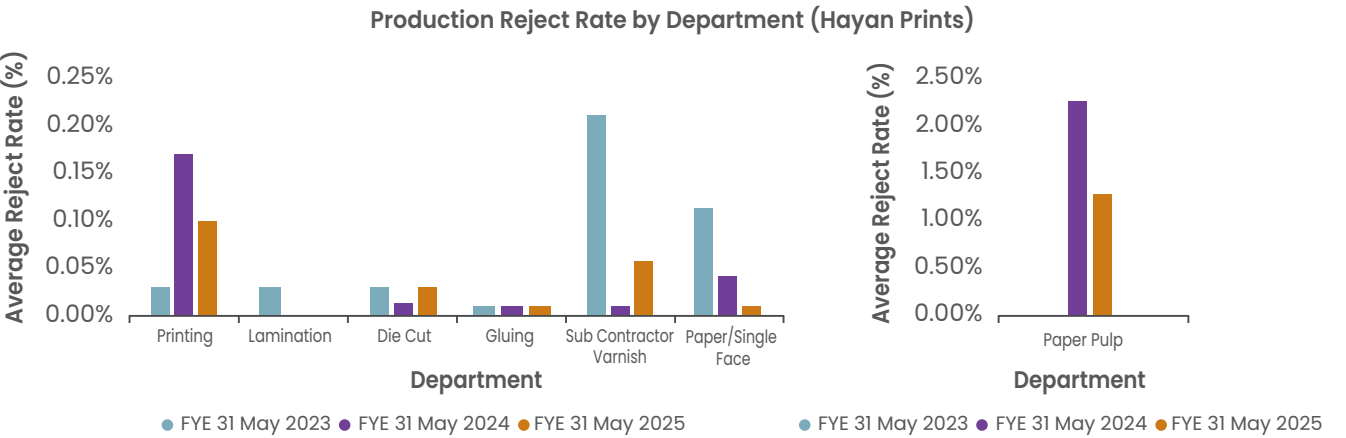
*All the rejected quantities were repurposed as raw material in the forming stage of the paper pulp moulded packaging production process. Therefore, the rejected paper pulp has zero negative impact to environment.

Envy Premium			
Department	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Production	4.03%	7.48%	4.30%

Hayan Prints’ production volume and number of production processes are relatively higher as compared to Envy Premium. The average rejection rates for printing department at Hayan Prints was notably higher than other production departments at 0.10%. However, the rejection rate in printing department has shown a significant decrease in comparison to the 0.17% recorded in FYE 2024 mainly contributed by the improved efficiency of our printing department and operator training programme. Our Group strongly believes that operation training programme and reinforced adherence of the standard operating procedures (“SOP”) are essential to continuously lower the number of rejects.

Sustainability STATEMENT

Our paper pulp moulded packaging production line recorded a reject rate of 1.25% during the FYE 2025 with all the rejected quantities being reutilised as raw material back in the forming stage of production process. Meanwhile, Envy Premium recorded rejection rate of 4.30% for its products during FYE 2025 with the revamped production planning and control by our management.

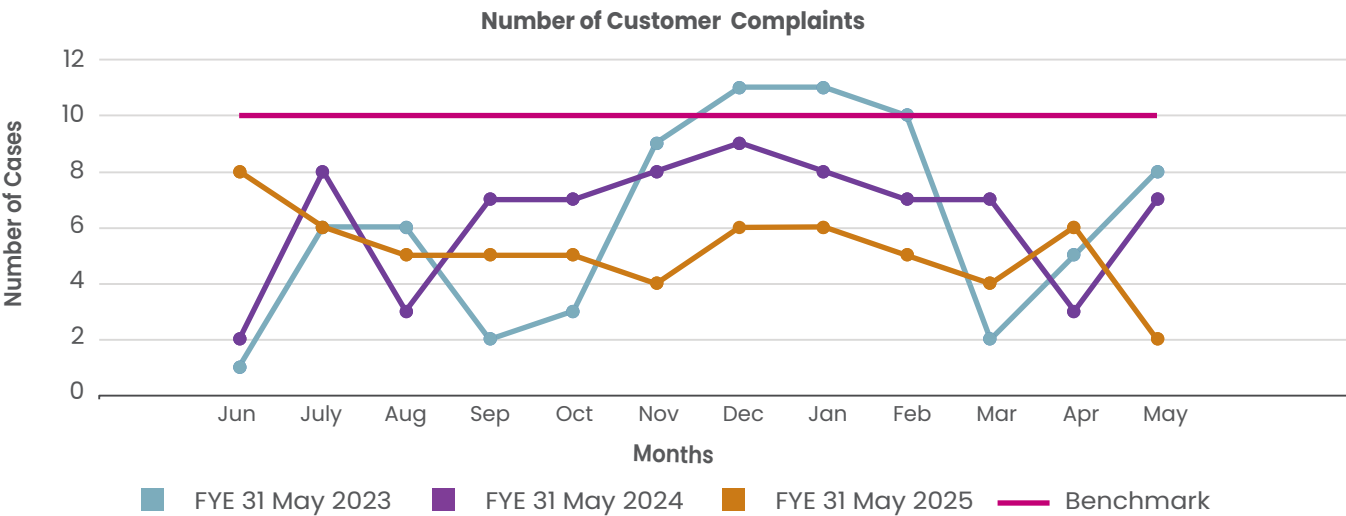


Source: Hayan Prints’ Production Rejection Rate from FYE 31 May 2023 to FYE 31 May 2025.

Customer Complaints

Product quality is one of our Group’s top priorities as our Group commits to offer customers the finest products using cutting edge printing technology.

The number of customer complaints for HPP Holdings Berhad are tabled below:



Source: Hayan Prints and Envy Premium’s Quality Monitoring Report from FYE 31 May 2023 to FYE 31 May 2025.

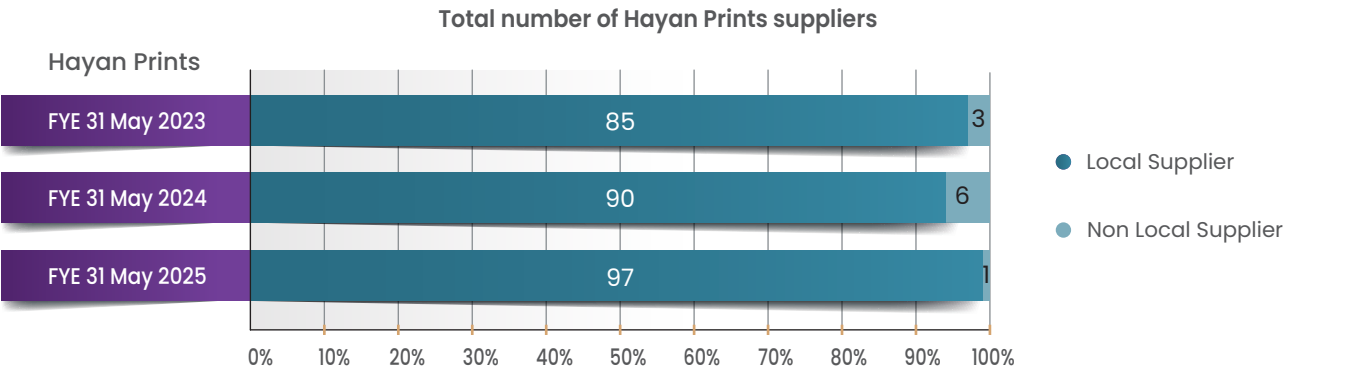
Our Group maintains a benchmark of customer complaints at fewer than 10 cases. During FYE 31 May 2025, the number of monthly customer complaints consistently remained below this threshold, averaging 5 cases per month compared to average number of 6 customer complaints per month in FYE 31 May 2024. A total of 62 customer complaints for FYE 31 May 2025 compared to 76 cases during FYE 31 May 2024. Our Group has conducted a more precise QC inspection and much improved packaging methods to further reduce the logistical risk of our finished goods. Moreover, our Group continues to monitor in-house transporters performance to assure quality of goods delivered.

Sustainability STATEMENT

(B) Rate of Local Sources

Procurement

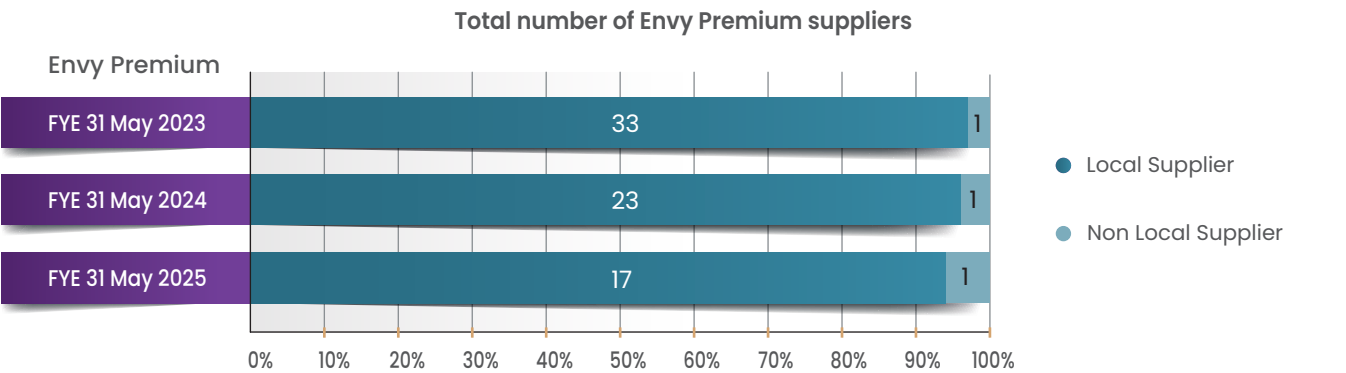
Our Group continuously strives to ensure at least 90% of our supplies are locally sourced.



	FYE 31 May 2023		FYE 31 May 2024		FYE 31 May 2025	
Suppliers	Number	Amount (RM'000)	Number	Amount (RM'000)	Number	Amount (RM'000)
Local	85	33,991	90	30,604	97	31,052
Non-Local	3	1,692	6	258	1	75
Total	88	35,683	96	30,862	98	31,127
Percentage (Local / Total)	97%	95%	94%	99%	99%	99%

Source: Supplier Listing as at 31 May 2023, 31 May 2024 and 31 May 2025.

As at 31 May 2025, Hayan Prints had 97 registered local suppliers, an increase from 90 local suppliers in FYE 31 May 2024. Our Group continues to demonstrate our support to local suppliers with almost 100% of our total purchase value sourced locally, even with the expanded supplier base in FYE 31 May 2025 compared to FYE 31 May 2024.



	FYE 31 May 2023		FYE 31 May 2024		FYE 31 May 2025	
Suppliers	Number	Amount (RM'000)	Number	Amount (RM'000)	Number	Amount (RM'000)
Local	33	5,110	23	2,106	17	1,831
Non-Local	1	135	1	279	1	133
Total	34	5,245	24	2,385	18	1,964
Percentage (Local / Total)	97%	97%	96%	88%	94%	93%

Source: Supplier Listing as at 31 May 2023, 31 May 2024 and 31 May 2025.

As at 31 May 2025, Envy Premium had 17 registered local suppliers and 1 non-local supplier. The number of local suppliers has decreased from 23 in FYE 31 May 2024 to 17 in FYE 31 May 2025 with one non-local supplier engaged. The only non-local supplier was engaged to diversify supply sources in order to have competitive prices. Nevertheless, Envy Premium aligns with our Group's target of sourcing at least 90% of its supplies locally.

(C) Ethics and Integrity

HPP Holdings adopts a zero-tolerance stance against fraud, bribery and corruption. Apart from the Code of Conduct and Ethics, our Group is guided by a set of robust corporate policies that address anti-bribery and corruption, anti-money laundering and whistleblowing. The Anti-Bribery & Anti-Corruption (“**ABAC**”) Policy is communicated to employees through various platforms, including our Group’s corporate website, training sessions and induction programmes. 100% of our employees have completed the training as of to-date.

All employees are expected to act with professionalism and integrity, refraining from any corrupt or illegal activities at all times. Any allegation or suspicion of corruption or illegality shall be treated with utmost seriousness, and every employee is required to uphold the promulgated business ethics while fulfilling their duties and responsibilities.

Compliance With ABAC Policy	2023	2024	2025
Number of staff disciplined or dismissed due to noncompliance with the ABAC policy	0	0	0
Fines, penalties or settlements from regulatory authorities in relation to bribery or corruption (RM)	0	0	0

In FYE 2025, there was no bribery and corruption case reported and our Group aims to maintain this record by fostering a positive culture of compliance. None of our employees was disciplined or dismissed due to non-compliance with the ABAC or the Code of Conduct and Ethics policies. HPP Holdings remains committed towards preserving this record and will continue to uphold high levels of integrity and ethical standards.

In addition, we have communicated our Group’s ABAC, Code of Conduct & Ethics and Whistleblowing policies to our new suppliers, sales agents, customers, and all related stakeholders during FYE 31 May 2025.

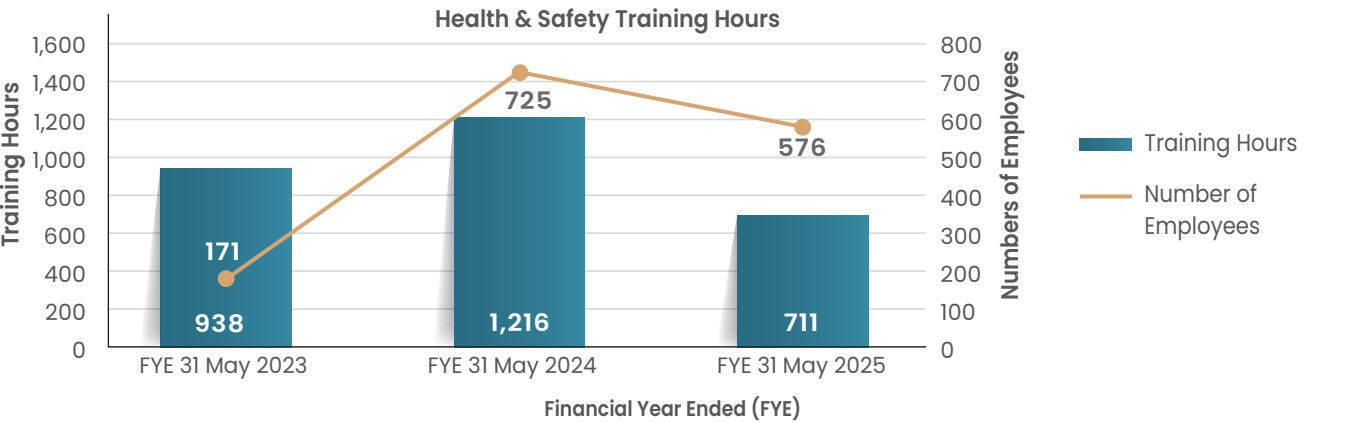
II. Social

(A) Occupational Safety and Health (“OSH”)

OSH remains a critical aspect of employee welfare in HPP Holdings. Our Group advocates safe and healthy working environment as the wellbeing of our employees and related stakeholders is one of the key factors to our Group’s success. A range of programmes and initiatives have been instituted to ensure safety is prioritised at our Group’s premises. Apart from instituting safety measures at the workplace, our management places significant emphasis on continuous education and training to equip our employees with necessary knowledge and skills to maintain safety standards.

OSH Training

As at 31 May 2025, our Group provided 711 hours of OSH training to 576 employees.



Source: Training listing related to Health and Safety from FYE 31 May 2023 to FYE 31 May 2025.

*Note: Number of participants is based on number of employees who attended each training. Employees may attend a few trainings over the financial year.

During FYE 31 May 2025, the number of employees who benefited from the training decreased compared to the previous financial year. The training hours have also dropped from 1,216 hours (FYE 31 May 2024) to 711 hours (FYE 31 May 2025). These OSH training hours are the accumulation of both internal and external trainings conducted during FYE 2025.

The reduction in training hours reflects our Group’s deliberate move towards more focused and streamlined OSH programmes, ensuring that employees received targeted and high-impact training without prolonging classroom time. In addition, a significant portion of OSH learning has been reinforced through on-the-job guidance, toolbox briefings and daily coaching by supervisors, which are not always captured in formal training records but form an essential part of our preventive safety culture.

Our Group remains dedicated in preventing accidents. However, there were two (2) accidents reported during FYE 31 May 2025. The two (2) accidents resulted from the workers’ failure to adhere to our prescribed work discipline, procedures and safety protocols. Consequently, our Group has intensified its effort to enhance OSH awareness through structured training programmes, while instituting comprehensive preventive measures in alignment with our Group’s objective of achieving zero (0) workplace accident. Furthermore, our Group places strong emphasis on delivering on-the-job training in a manner that is easily understood by our employees, enabling them to perform their daily tasks with a reduced risk of injury.

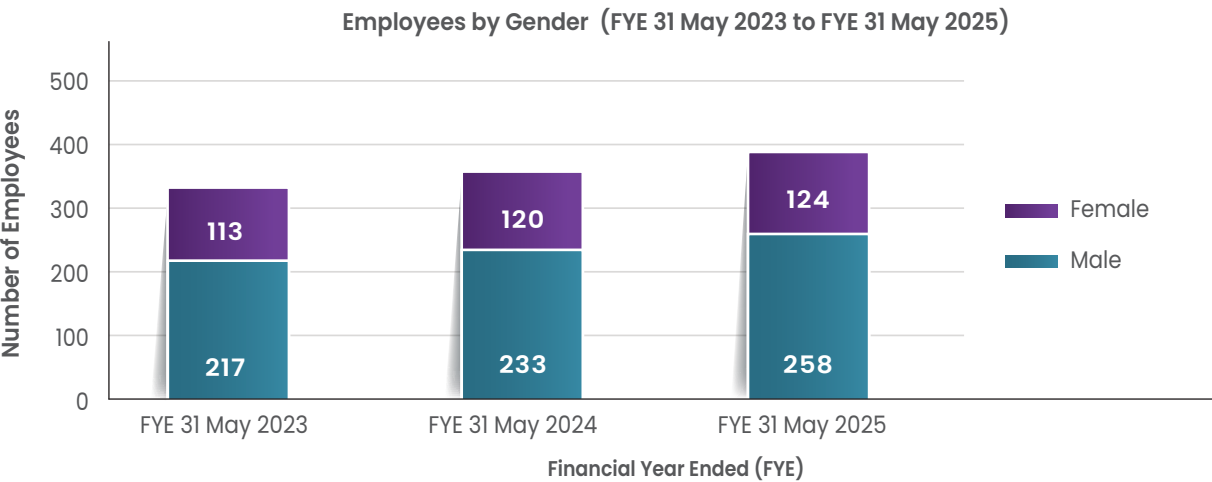
The summary of total incidents recorded in the past three (3) financial years are presented in the table below:

Number Of Incidents As At End Of The Financial Year	2023	2024	2025
Number of injuries	0	1	2
Number of fatalities	0	0	0

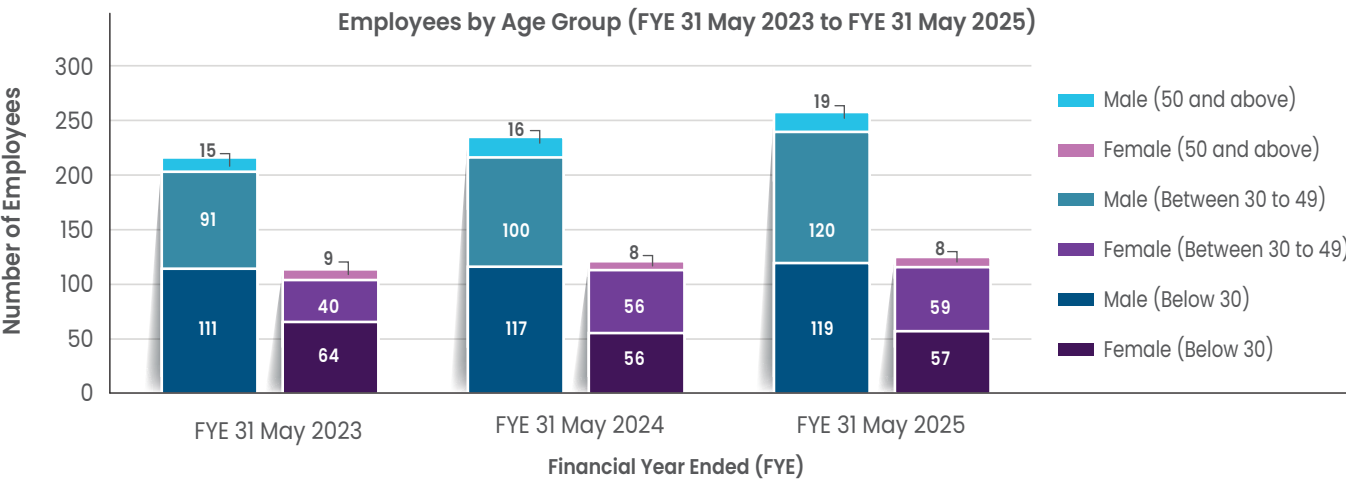
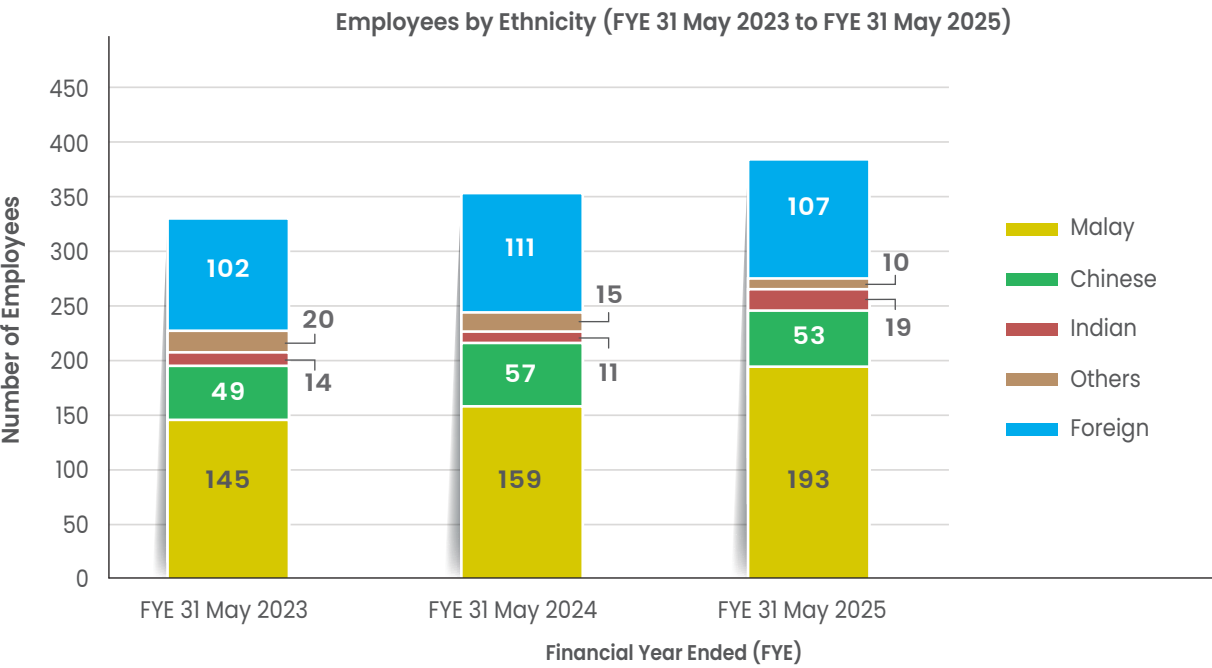
Emergency Response Procedures (“ERP”) were established by our Group to ensure our employees understand the course of action to handle accidents or emergencies based on the type of incidents. Safety and Health Officer and Safety and Health Committee are responsible for overseeing the implementation of ERP. Moreover, periodic Chemical Health Risk Assessment Report (“CHRA”) and Noise Risk Assessment Report (“NRA”) are conducted by accredited party to warrant our employees’ safety and to ensure our Group’s safety and health compliance. Safety boots, safety earplugs, chemical-resistant gloves, googles and masks are provided to employees in the production department.

To further mitigate the risk of accidents, our Group has implemented a more stringent SOP, including the placement of hazard signs and briefing. All non-job related cross-department movement are strictly prohibited during working hours to prevent the unnecessary risks of injury. Special tools such as safety harness and scaffolding are provided to employees to execute high risk tasks, thereby enhancing workplace safety.

(B) Employment Diversity and Equal Opportunity



As at 31 May 2025, our Group had a total of 382 employees, comprising 258 male and 124 female. The total number of employees has increased by 8.22 % in FYE 31 May 2025 (382) from the total of 353 employees in FYE 31 May 2024. The gender diversity ratio (Male:Female) was at 68:32 in FYE 31 May 2025 compared to 66:34 in FYE 31 May 2024.



Year	2023			2024			2025		
Employee Category	Gender			Gender			Gender		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Management*	6	5	11	7	6	13	7	6	13
Executive	32	17	49	39	22	61	37	23	60
Non-executive	179	91	270	187	92	279	214	95	309
Total	217	113	330	233	120	353	258	124	382

*Note: Management category includes Key Senior Management, Senior Management and Management team.

In FYE 2025, our Group managed to recruit 3 additional young talents, making a total of 176 employees under the age of 30 compared to 173 in FYE 31 May 2024. Meanwhile, our Group successfully attracted and retained 179 employees aged 30 to 49 in FYE 31 May 2025 compared to 156 in this age group during FYE 31 May 2024. Nonetheless, 27 employees who are over 50 years of age remained in our Group’s workforce throughout FYE 31 May 2025.

Furthermore, the addition of 30 non-executive employees during FYE 31 May 2025, bringing the total in this category to 309 compared to 279 in FYE 31 May 2024. The notable increase in recruitment of non-executive employees was due to manning requirements to support the operations of our new paper pulp moulded packaging production line. Similar to FYE 31 May 2024, our Group maintained stability in its management, with 13 employees remaining unchanged in FYE 31 May 2025.

(C) Reasonable Remuneration

Our Group remunerates its employees at a standard wage, which is in accordance with the prevailing labour law, applicable equally to both genders at entry level. In addition, we reward our employees based on their merit and talent without any discrimination of gender or race or nationality.

Our Group is determined to provide equal employment opportunities to all employees. Consequently, wage equality and common standard benefits are provided to all employees regardless of gender or race or nationality throughout our Group.

Number Of Cases As At End Of The Financial Year	2023	2024	2025
Discrimination and harassment incidents reported	0	0	0
Grievance related incidents reported	0	0	0
Child labour incidents	0	0	0
Forced or compulsory labour incidents	0	0	0

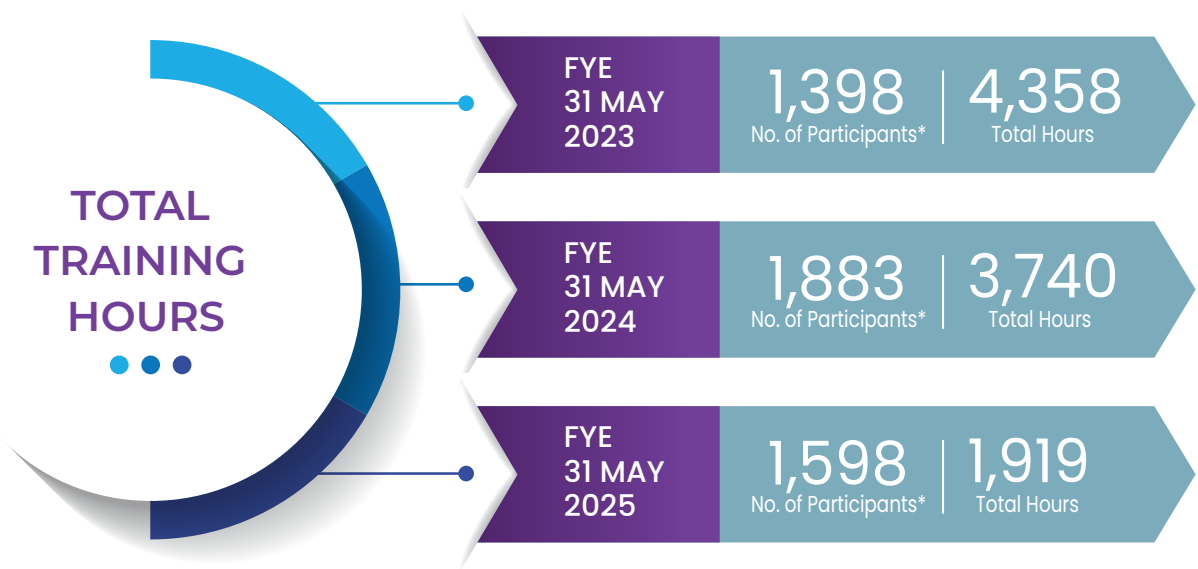
(D) Employee Benefit

Training and Development

Our Group recognises that employees are our most important assets and that investing in human capital development is crucial to our success. Therefore, our Group provides both internal or external training to employees on a regular basis to enhance their skills and competencies.

Respective heads of department are responsible to identify the training needs of their subordinates throughout each financial year. All training recommendations are submitted to the Human Resource Department for review and compilation into a master training plan, which is then approved by Key Senior Management.

During FYE 31 May 2025, a total of 1,919 training hours were provided to 1,598 employees.



*Note: Number of participants is based on number of employees who attended each training. Employees may attend a few trainings over the financial year.

The total training hours decreased from 3,740 hours in FYE 31 May 2024 to 1,919 hours in FYE 31 May 2025 and the number of participants dropped from 1,883 to 1,598. Despite the reduced training hours in FYE 31 May 2025, our Group continues to prioritise employees’ capability building through streamlined and practical training sessions designed to maximise effectiveness while minimising time away from operations.

The decline in formal training hours is also attributed to our increased emphasis on on-the-job learning, daily supervisory coaching, and peer-to-peer knowledge sharing, which are not always reflected in the formal training hour count but remain integral in enhancing employee skills. This approach allows for continuous development embedded within day-to-day work, making learning more relevant and immediately applicable.

Looking ahead, our Group encourages more trainings to be held in the coming years with emphasis in boosting the morale and career development for employees. Similar to the OSH training sessions (as explained on page 37), our Group emphasises clear communication of daily tasks to ensure employees understand their responsibilities, helping them work more efficiently and reduce the risk of injury.

Work-Life Balance

Our Group aspires to cultivate a culture that promotes work-life balance and recognise that the provision of paid marriage and maternity leave has positive impact on family and community development. In this regard, all employees are provided with three (3) days of paid leave for their first legal marriage, and all female employees are entitled to paid maternity leave for a period of no less than 98 consecutive days for every pregnancy while all male employees are entitled to enjoy seven (7) days paid paternity leave up to five (5) child births. Three (3) days compassionate leave are also permitted for all employees within our Group for demise of immediate family members.

(E) Internship development programme

Our Group has constantly engaged with universities and technical colleges to offer opportunity to local students in order to gain hands-on experiences especially in the printing industry. There were 32 students from 13 different institutions who joined our internship development programme in FYE 31 May 2025. Permanent employment is awarded to interns who exhibit outstanding performance and commitment upon the completion of their internship.

(F) Foreign Workers Hostel

Our Group is devoted to provide safe and comfortable accommodation to our foreign workers. All our foreign workers dormitories located at our existing factory plants are well equipped with essential facilities in accordance with Act 446 (Minimum Standards of Housing and Amenities Act 1990). Moreover, the surrounding of hostels is CCTV surveillance-enabled to safeguard and protection of our foreign workers.

(G) Community Contribution

On 15th of February 2025, our Group managed to organise a beach clean-up activity at Pantai Puteri located at Tanjung Kling, Melaka. Twelve (12) members participated in clearing trash off the shore of the lovely beach.

Furthermore, our Group made cash donation to the Kechara Soup Kitchen Society on 8th of March 2025. Six (6) members volunteered to pack the food and household goods for distribution to the homeless and marginalised communities around the Melaka area.

In addition, our Group co-organised a blood donation event with AEON Mall Bandaraya Melaka on 26th of April 2025 to support the replenishment of the local blood bank and to raise public awareness.

The achievement of the blood donation event was as below:



Our Group strives to carry out more CSR activities in the coming years in order to creating value and enhancing development of the local communities we serve.



III. Environment

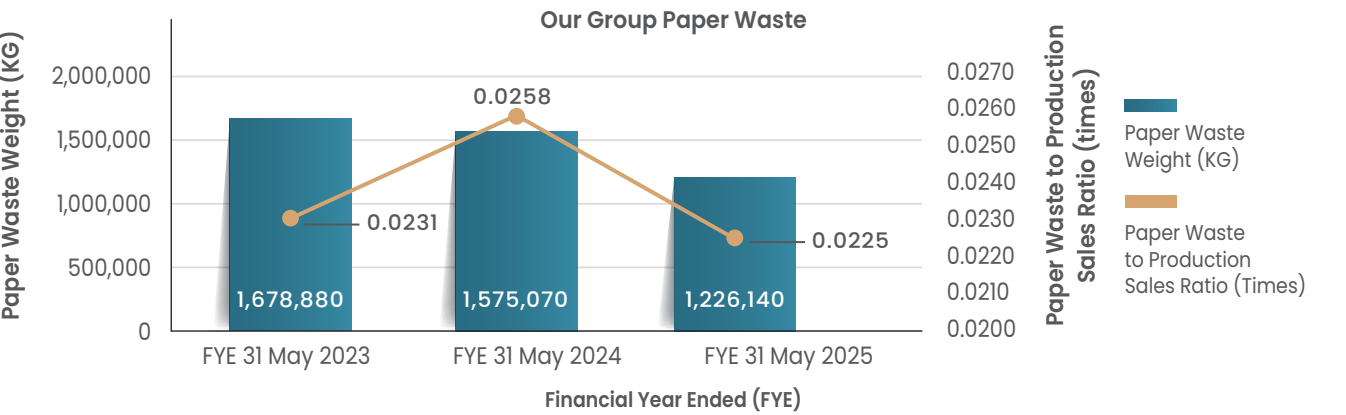
Our Group strives to continuously work on managing the greenhouse emissions from its daily operations so as to ensure that emission levels remain reasonably low, and the utilisation of its resources remain optimal.

(A) Waste Management

Our Group’s printing and production activities generate certain waste such as paper waste, scheduled waste, alcohol and diesel. As part of our sustainability efforts, we closely monitor the generation of such wastes (i.e. usage per production output) and actively manage the effects arising from them.

Paper Waste

Our Group collects paper waste from the pre-press process (i.e. paper cutting process) for recycling purposes. In facilitating the collection of paper waste, a waste paper baler machine has been installed where paper waste from the die-cutting machine is channelled into the paper baler machine via a conveyor belt, to be compressed into compact blocks for ease of handling, transport and storage. The total weight of paper waste collected for recycling was as below:



Department	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Paper Waste Weight (KG)	1,678,880	1,575,070	1,226,140
Production Sales* (RM)	72,561,471	61,041,940	54,575,595
Paper Waste to Production Sales Ratio (times)	0.0231	0.0258	0.0225

* Total Sales generated from manufacturing activities which exclude trading.

Paper waste decreased to 1,226,140 kg in FYE 31 May 2025 from 1,575,070 kg in FYE 31 May 2024 in tandem with our production sales. Consequently, the paper waste to production sales ratio improved to 0.0225 times, reflecting a slight gain in the efficiency of our productivity. Our Group will continue to monitor the paper waste generated by our production activities, with ongoing efforts to optimise raw material utilisation and enhance paper waste management practices.

Scheduled Waste

Our Group’s production activities generate certain scheduled waste such as waste inks, contaminated rags, cloth, absorbents and contaminated containers which are classified under the following waste code:

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 wastes
SW 410	Rags, plastics or filters contaminated with scheduled wastes
SW 417	Waste of inks, paints, pigments, lacquer, dye or vanish

As a good corporate citizen, we are committed to dedicating efforts to monitor the scheduled waste generated and ensures the compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 that governs the handling, use, storage and disposal of scheduled waste.

Total of such scheduled waste generated by our Group was as follows:

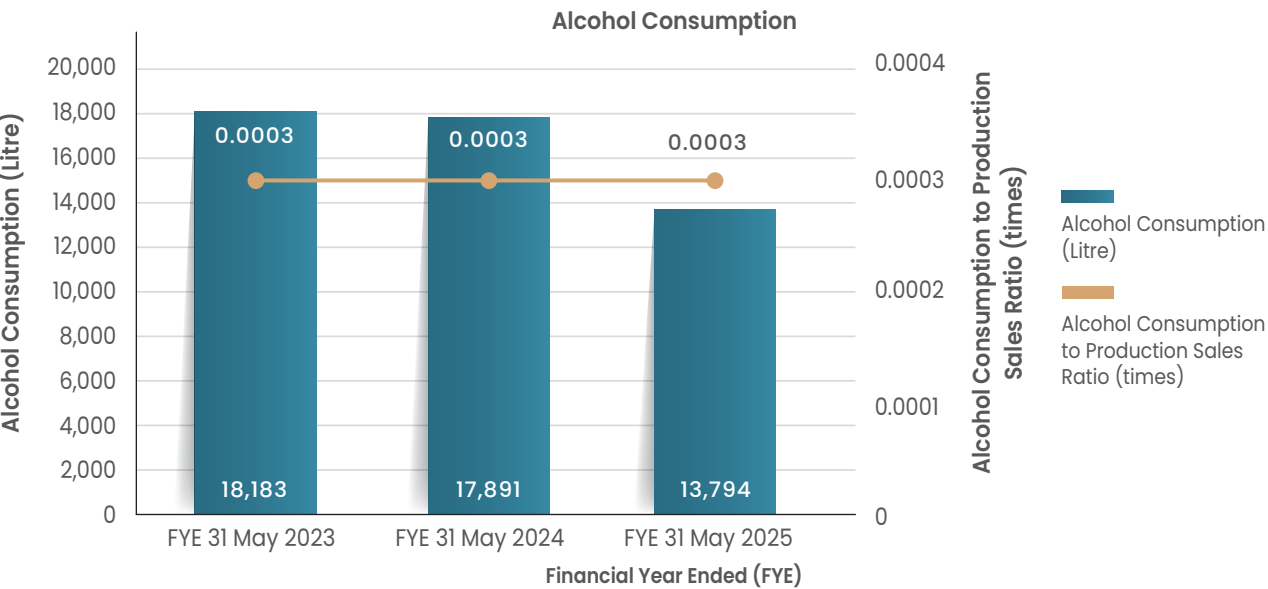
Total	SW 409	SW 410	SW 417	SW 303
FYE 31 May 2023				
Weight (KG)	1,884	3,925	47,085	-
Production Sales* (RM)	72,561,471			
Scheduled Waste to Production Sales Ratio (times)	0.00003	0.00005	0.00065	-
FYE 31 May 2024				
Weight (KG)	3,275	5,441	65,122	18,739
Production Sales* (RM)	61,041,940			
Scheduled Waste to Production Sales Ratio (times)	0.00005	0.00009	0.00107	0.00031
FYE 31 May 2025				
Weight (KG)	3,303	6,154	54,186	45,935
Production Sales* (RM)	54,575,595			
Scheduled Waste to Production Sales Ratio (times)	0.00006	0.00011	0.00100	0.00084

* Total Sales generated from manufacturing activities which exclude trading.

Despite the decline in our production sales, scheduled waste generation increased across the board except SW417 for the fiscal year ending May 31, 2025. The most significant rise was observed in SW303, which grew from 18,739 kg in FYE 2024 to 45,935 kg in FYE 2025. This increase was driven by the usage of new adhesive raw material by the middle of last financial year to improve our product quality, which eventually reduced the number of customer complaints. The higher daily waste generation for both SW409 and SW410 in FYE 31 May 2025 compared to FYE 31 May 2024 mainly due to the increasingly use of ink containers for ink mixtures and plastic packaging for storing ink mixtures prepared by the ink kitchen. However, the notable decrease in SW417 during FYE 2025 was primarily due to full implementation of ink kitchen and stringent SOPs.

Alcohol

Our Group’s printing and packaging production activities require the use of alcohol. Alcohol that was consumed in the production process of our Group in FYE 31 May 2023, FYE 31 May 2024 and FYE 31 May 2025 was as below:



TOTAL	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Alcohol Consumption (Litre)	18,183	17,891	13,794
Production Sales* (RM)	72,561,471	61,041,940	54,575,595
Alcohol Consumption to Production Sales Ratio (times)	0.0003	0.0003	0.0003

* Total Sales generated from manufacturing operation which exclude trading.

Alcohol consumption was relatively consistent at the ratio of 0.0003 times in FYE 31 May 2025 compared to FYE 31 May 2024. Nevertheless, the overall alcohol consumption declined in tandem with the decrease in our production sales. Our Group will continue to monitor closely on alcohol usage to optimise efficiency and sustainability.

Diesel and Petrol

Our Group uses diesel in its operations, especially in the transportation and delivery of our products. The diesel consumed by our Group in FYE 31 May 2023, FYE 31 May 2024 and FYE 31 May 2025 was as below:

TOTAL	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Total Sales (RM)	80,803,519	68,931,663	64,097,709
Diesel (Litre)	131,715	144,098	151,382
Diesel (Litre) per Total Sales (RM)	0.0016	0.0021	0.0023

Diesel consumption rose from 144,098 litres in FYE 31 May 2024 to 151,382 litres in FYE 31 May 2025, representing an approximate 5% rise. Consequently, the diesel consumption rate per total sales grew from RM0.0021 in FYE 31 May 2024 to RM0.0023 in FYE 31 May 2025.

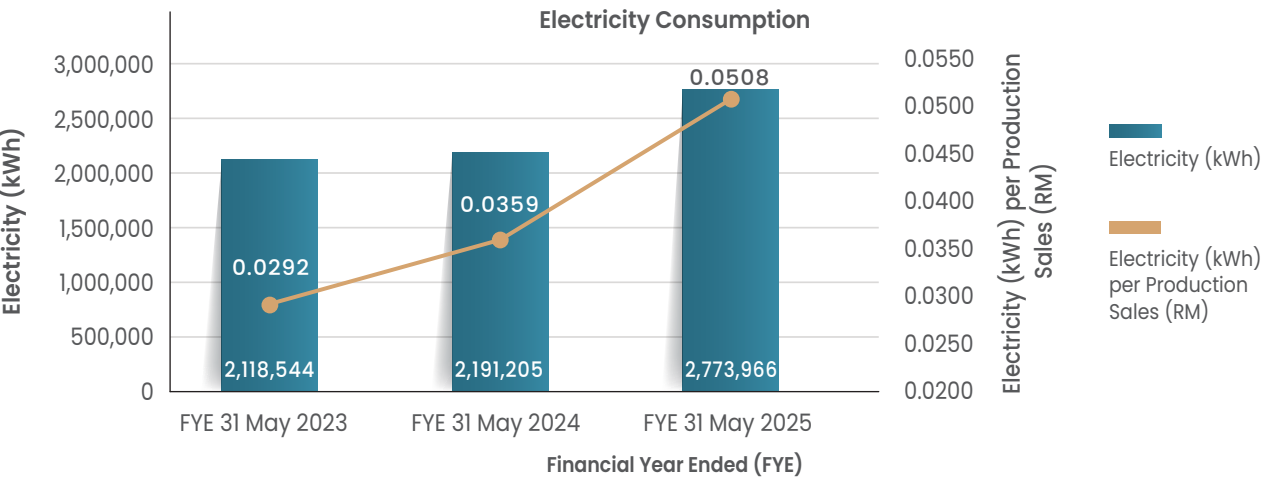
With the continuity of market expansion to Northern region of Peninsular Malaysia, our Group has increased our frequency of product delivery that attributed to the rise in diesel consumption during FYE 31 May 2025.

(B) Resource Optimisation

Our Group continuously strives to ensure energy and resources are managed in an effective and efficient manner. There are two (2) subsidiary companies (Hayan Prints and Envy Premium) that run production processes which consume electricity and water in their operations. Consumption levels are different in each entity attributable to the different production processes, capacity and volume.

Electricity Consumption

Electricity consumption for Hayan Prints and Envy Premium was as below:



TOTAL	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Production Sales* (RM)	72,561,471	61,041,940	54,575,595
Electricity (kWh)	2,118,544	2,191,205	2,773,966
Electricity (kWh) per Production Sales (RM)	0.0292	0.0359	0.0508

*Total Sales generated from manufacturing activities which exclude trading.

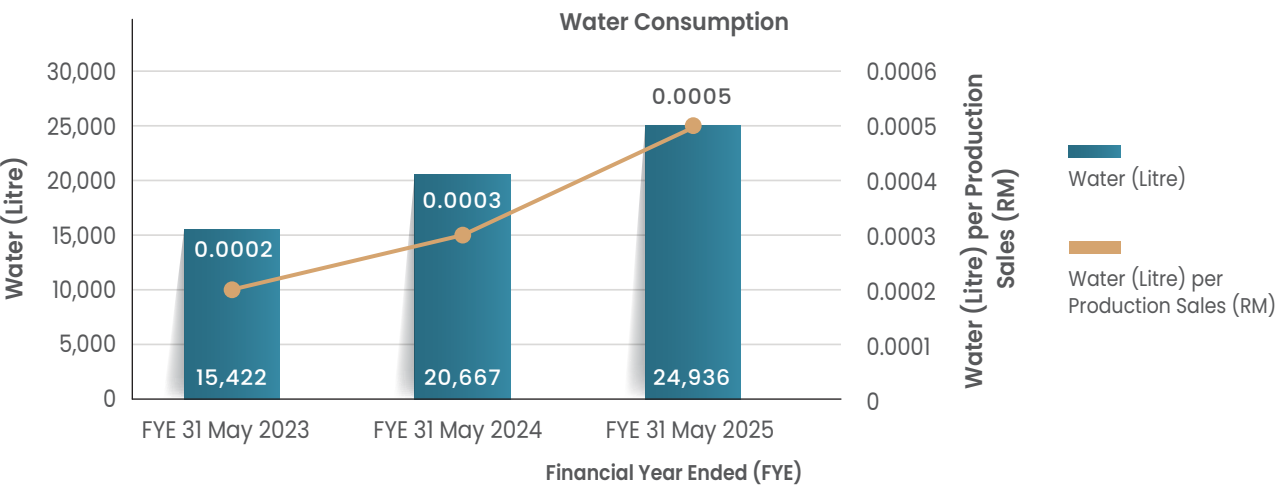
Four (4) solar panels were installed in Hayan Prints’ factory since May 2021 with capacity of 340.34 kWp,160.16 kWp, 246.61 kWp, and 428.42 kWp respectively. Installation of the solar panels aimed to reduce our Group’s carbon footprints.

The electricity usage per sales generated for FYE 31 May 2025 grew to RM0.0508. The electricity consumption increased from 2,191,205 kWh in FYE 31 May 2024 to 2,773,966 kWh in FYE 31 May 2025. The rise of electricity consumption in FYE 31 May 2025 was mainly contributed by additional usage from our new paper pulp moulded packaging production line, the expansion of our new factory plant, and inclusion of our foreign workers’ hostel.

Nevertheless, solar panels installation in our paper pulp moulded production site has begun during FYE 31 May 2025, and we foresee the solar panel being fully operational in the first half of FYE 31 May 2026 to minimise our carbon footprint.

Water Consumption

Water consumption for Hayan Prints and Envy Premium was as below:



TOTAL	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Production Sales* (RM)	72,561,471	61,041,940	54,575,595
Water (Litre)	15,422	20,667	24,936
Water (Litre) per Production Sales (RM)	0.0002	0.0003	0.0005

* Total Sales generated from manufacturing activities which exclude trading.

Combined water consumption across Hayan Prints and Envy Premium increased from 20,667 litres to 24,936 litres (increased by approximately 21%). The water consumption per production sales generated has slightly increased to RM0.0005 in FYE 31 May 2025 compared to RM0.0003 in FYE 31 May 2024. Similar to the electricity consumption, our water consumption has elevated largely driven by the additional usage from our new paper pulp moulded packaging production line, the expansion of our new factory plant as well as the inclusion of foreign workers' hostel in our existing factory plants.

(C) Forest Stewardship Council Certification

Forest Stewardship Council® ("FSC®") is a globally recognised certification system with millions of hectares of forestland certified under its forest conservation standards.



Our Group has established a FSC® Chain of Custody Management System Manual on 26 November 2021, after being awarded the FSC® certification on 7 June 2021.

As part of the contribution towards the protection of forest, our Group ensures that the information on origin and species is available when purchasing FSC®-certified material. The same information is also available for our Group's customers when they purchase our Group's products.

As at 31 May 2025, our Group had a total three (3) suppliers with FSC® certification registered under Hayan Prints and Envy Premium for the supply of paperboard, with five (5) customers who had ordered products using such certified paperboard.

FSC® Certified During	FYE 31 May 2023	FYE 31 May 2024	FYE 31 May 2025
Suppliers	11	3	3
Customers	3	4	5

* Total Sales generated from manufacturing activities which exclude trading.

Our Group focuses on reducing the number of vendors by centralising our FSC® purchases through the same paper merchant.

04. KEY PERFORMANCE INDICATOR

In the pursuit of our Group's sustainability aspirations, the following key performance indicators have been established in order to steer our Group towards its sustainability goals:

ECONOMIC

* Product Quality

* Rate Of Local Sources

SOCIAL

* Reasonable Remuneration System

* Employment Diversity And Equal Opportunity

* Incidences Of Accidents At Workplace

ENVIRONMENT

* Waste Management

* Resource Optimisation

* FSC® Certification

CONCLUSION

The above embedded practices and goals demonstrate our Group's commitment towards sustainability for the betterment of the economy, environment and social aspects of the community we operate in. The journey towards attaining sustainable growth and long-term profitability begins with small steps such as ingrainin the principles on sustainability into our Group's culture, value system and way of doing business. Our Group remains optimistic that such small steps will eventually lead to the realisation of our Group's sustainability aspirations and success.

ASSURANCE STATEMENT

Our Sustainability Statement has not been subjected to an assurance process.

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 2025 (“**FYE 2025**”) 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 2025 (“**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 2025, HPP Holdings has applied all the practices encapsulated in the MCCG, except for 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 Committee

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 2025 is tabulated as follows:

Directors	Designation	Board Meeting
Lau Tee Tee @Lau Kim Wah	Non-Independent Non-Executive Chairman	6/6
Kok Hon Seng	Executive Director / Group Managing Director	6/6
Ng Soh Hoon	Executive Director / Procurement Director	5/6
Philip Goh Teck Siang	Independent Non-Executive Director	6/6
Datuk Lee Chong Leng	Independent Non-Executive Director	5/6
Chong See Ling ⁽¹⁾	Independent Non-Executive Director	Not Applicable
Choo Chee Beng ⁽²⁾	Independent Non-Executive Director	4/4

(1) Appointed on 9 May 2025 (2) Resigned on 28 February 2025

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 dtnuril49@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

Our Board currently consists of six (6) members, which includes a Non-Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors (“INEDs”) and two (2) Executive Directors with a mix of skill sets in the areas of legal, finance, 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.

During the financial year under review, Mr Choo Chee Beng resigned from the Board on 28 February 2025. Subsequently, Ms Chong See Ling was appointed as an INED of the Company on 9 May 2025.

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 met twice in FYE 2025 and their respective attendance records are tabulated as below:

Directors	Designation	NC Meeting
Datuk Lee Chong Leng	Chairman, INED	2/2
Philip Goh Teck Siang	Member, INED	2/2
Chong See Ling ⁽¹⁾	Member, INED	Not applicable
Choo Chee Beng ⁽²⁾	Member, INED	1/1

(1) Appointed on 9 May 2025 (2) Resigned on 28 February 2025

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 proposed to appoint a female INED with legal competence.
- Reviewed and recommended to our Board the re-election of Directors at the Sixth Annual General Meeting (“AGM”) pursuant to the Companies Act 2016 and the Company’s Constitution.
- Reviewed and recommended to the Board the TOR of the NC, Directors’ Fit and Proper Policy and Gender Diversity Policy.
- Reviewed and recommended the appointment of Ms Chong See Ling as INED, the chairperson of the RC and a member of the ARMC and NC after having reviewed her profile in details and assessed her fit and proper criteria.

Appointment 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 Seventh AGM:

- (1) Mr Lau Tee Tee @ Lau Kim Wah (Clause 76(3));
- (2) Datuk Lee Chong Leng (Clause 76(3)); and
- (3) Ms Chong See Ling (Clause 78).

The aforesaid Directors have expressed their intention to seek for re-election at the forthcoming Seventh 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. During the FYE 2025, our Board has maintained half of its Board to consist of INED. 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 FYE 2025, our Board comprised two (2) female directors, which constitutes 33% of female representation on the Board and in alignment with the MCCG’s recommendation of having at least 30% female representation on Board.

Our Board supports the initiative to increase female representation on the Board and has adopted a Board Diversity Policy. 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 2025, 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

All our directors have successfully completed both Mandatory Accreditation Programme (“MAP”) Part I and MAP Part II save for the newly appointed INED, namely Ms Chong See Ling who has completed MAP Part I and will complete MAP Part II within the prescribed timeframe as stipulated 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 2025, our directors have attended various training programmes and seminars. Details of the trainings and seminars undertaken are stated below:

Directors	Seminars / Forum / Training
Lau Tee Tee @ Lau Kim Wah	- E-Invoice: Accounting and its implementation mechanism – Live Webinar - Professional Ethics in Focus 2024 - Comprehensive Insights on the Responsibilities of Directors in Financial Reporting and Compliance including Audit Exemption - Seminar on “MBRS 2.0 – Annual Return” - Is preparing a Capital Statement mandatory in Malaysia? - E-Invoice implementation for Property Developers, Contractors and Related Industries - Companies (Amendment) Act 2024 and Practical Approach on Secretarial Practices - Understanding the latest Updates on Beneficial Ownership (BO) Reporting Framework for the Companies and the New Proposed Guidelines on BO for Limited Liability Partnerships (LLP): Practical Challenges, Case Studies, and Common Pitfalls - MIA Webinar Series: Everything about Dividend 2025 Budget Seminar - MIA Webinar Series: Assertions and obtaining Audit Evidence Part I: Audit of Assets - Seminar on “[SSM Webinar] SSM X LHDNM: E-Invoice implementation in Malaysia and Navigating the Myinvois Portal” - Seminar on latest understanding of E-Invoice System in Malaysia - Mastering Tax & Corporate Compliance Conference - Mandatory Accreditation Programme Part II
Kok Hon Seng	
Ng Soh Hoon	
Philip Goh Teck Siang	
Datuk Lee Chong Leng	
Chong See Ling	

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 2025, the RC had conducted four (4) meetings and their respective attendance records are tabulated below:

Directors	Designation	RC Meeting
Chong See Ling ⁽¹⁾	Chairman, INED	Not applicable
Choo Chee Beng ⁽²⁾	Chairman, INED	3/3
Datuk Lee Chong Leng	Member, INED	4/4
Philip Goh Teck Siang	Member, INED	4/4

(1) Appointed on 9 May 2025 (2) Resigned on 28 February 2025

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 2025 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 2025, 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 our Group’s website.

II. Conduct of General Meetings

The Sixth AGM was physically held on 8 November 2024. 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 Sixth 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 Sixth AGM was sent to shareholders more than 28 days before the date of holding the Sixth 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 10 September 2025.

Our Board is pleased to present the Audit and Risk Management Committee (“**ARMC**”) Report for the financial year ended 31 May 2025 (“**FYE 2025**”).

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

Choo Chee Beng ⁽¹⁾ | Member
Independent Non-Executive Director

Chong See Ling ⁽²⁾ | Member
Independent Non-Executive Director

Note :
(1) Ceased as a member of ARMC following his resignation as an Independent Non-Executive Director of the Company on 28 February 2025
(2) Appointed as a member of ARMC on 9 May 2025

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**”). Datuk Lee Chong Leng, a member of ARMC, is also a Chartered Accountant of MIA and a member of MICPA. 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 six (6) meetings during the FYE 2025 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	6/6
Datuk Lee Chong Leng	6/6
Choo Chee Beng	4/4
Chong See Ling	Not Applicable

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 2025.

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 2025, 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 2024, 31 August 2024, 30 November 2024 and 28 February 2025 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; 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 2024 together with the External Auditors, before recommending the same to the Board for their approval and inclusion in the Annual Report 2024.

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 2025, 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, 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.
- 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 is in compliance with 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

- A Conflict of Interest Policy had been established, following the recommendation of ARMC, which sets out the processes and disclosure obligations to assist the Directors and Key Senior Management of the Group in identifying, disclosing and managing any actual, potential or perceived 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 trans actions, procedure or course of conduct that may give rise to questions on management integrity.

VI. Risk Management and Internal Control Management

- Considered the significant risk profile of our Group and assessed the adequacy of its risk management system.
- Review 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 the revised Terms of Reference of ARMC, Conflict of Interest Policy, External Auditors Policy and Whistleblowing Policy to our Board for approval.
- Reviewed and recommended to the Board the following reports / statements for approval and inclusion into the Company’s Annual Report 2024:
 - 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 2025 and satisfied 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 2025 to our Board for approval.
- Reviewed and recommended the declaration of the first single-tier interim dividend in respect of FYE 2025 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.

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 Chief Audit Executive assisted by the engagement director and engagement manager, who are professionally qualified and experienced to lead the outsourced internal audit function. The profile of Chief Audit Executive is disclosed as follows:

Name	Qualification & Accreditation
Choo Seng Choon Chief Audit Executive	- 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 2025, 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 2025.
- Reviewed Sales and Marketing, Human Resource Management, Production 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 2025 was RM95,628. An additional fee of RM20,369 was incurred for the preparation of Corporate Governance Reporting and Corporate Governance Overview Statement and review of the Sustainability Report for FYE 2024 but paid in FYE 2025.

Further details on the outsourced internal audit function are set out in the Statement on Risk Management and Internal Control on page 61 and 62 of this Annual 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 2025 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 10 September 2025.

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: Guidelines for Directors of Listed Issuers ("**the Guidelines**") and the MCCG 2021.

This Statement outlines the nature and scope of risk management and internal control of our Group for FYE 31 May 2024 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

(A) Risk Management Framework

Our Group has established an Enterprise Risk Management ("**ERM**") framework that facilitates a

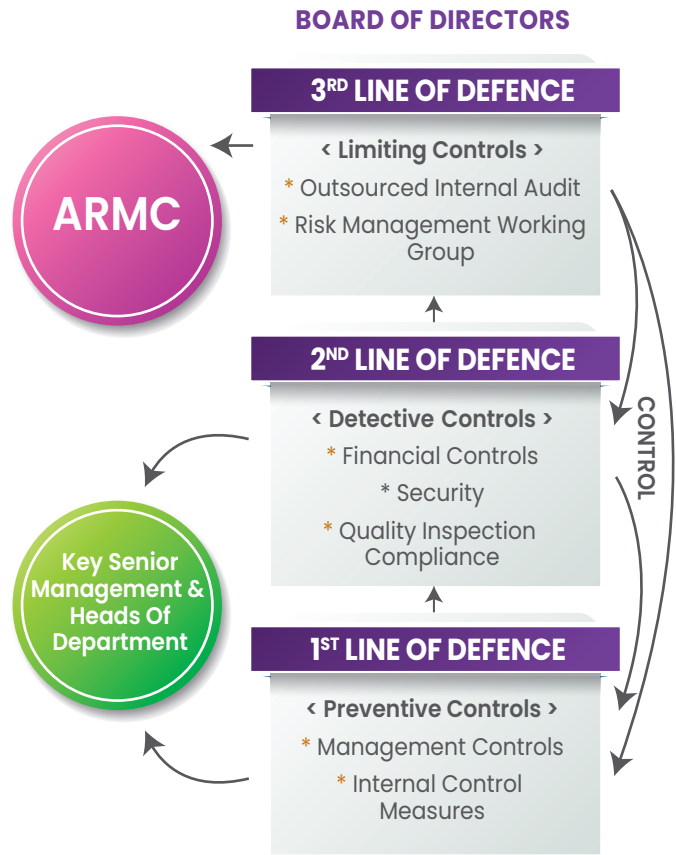
approach towards risk management. Our Group's ERM framework comprises two (2) broad components, namely governance structure and risk management processes.

(B) 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:

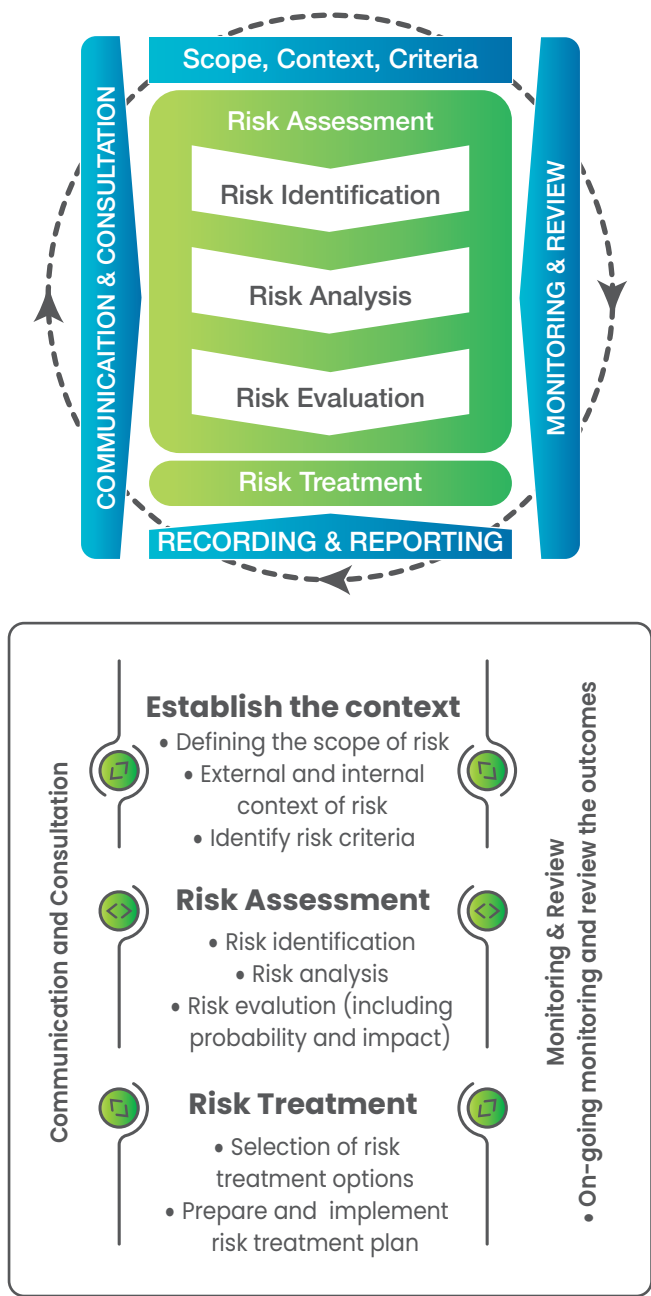


Statement On Risk Management AND INTERNAL CONTROL

II. 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:



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 2025.

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 resources of risks.
- 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.
- Continuous monitoring to ensure compliance and update HPP Holdings’ existing significant risk profile.

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

Statement On Risk Management AND INTERNAL 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

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.

III. Risk Management and Sustainability Working Group (“RMSWG”)

Our Group had formed a RMSWG in FYE 2022 to further strengthen the management and oversight of risk management function within our Group. The members are nominated employees from various departments within our Group (i.e. Executive Directors and Heads of Department). 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 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-existence.
- 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.

During the financial year, the RMSWG have:

- Collaborated with the Outsourced Internal Auditors to conduct the Group Risk Assessment for FYE 2025.
- Reviewed and devised appropriate risk management action plan in response to the findings in the Group Risk Assessment conducted by the Outsourced Internal Auditors.
- Enhanced existing roles and responsibilities of RMSWG to include ESG and sustainability risk assessment. The name of the RMSWG be change to Risk Management and Sustainability Working Group (“RMSWG”).
- A dedicated sustainability officer is appointed to handle sustainability matters and report to competent personnel.

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

IV. Internal Controls

Our Board receives and reviews regular reports from the management relating to key financial data, performance indicators 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. Our Board approves appropriate responses or amendments to 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.

V. 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 2025 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:

- Facilitated the Group Risk Assessment
- Sales and Marketing
- Human Resource Management
- Production 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 2025 was RM95,628. An additional fee of RM20,369 was incurred for the preparation of Corporate Governance Reporting and Corporate Governance Overview Statement and review of the Sustainability Report for FYE 2024 but paid in FYE 2025.

VI. 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 (“**ABCWG**”) in FYE 31 May 2022. The positions of Chairman and Competent Personnel of ABCWG are assumed by our Group Managing Director and Chief Financial Officer respectively. The roles and responsibilities of ABCWG 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, ABCWG have:

- Reviewed the controlling ABAC worksheet whether it is 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 2025.

(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.

(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.
- During the FYE 2025, our company attended a SMETA follow up audit as part of our ongoing commitment to social compliance and ethical business practices. This thorough evaluation not only ensures adherence to international standards but also plays a critical role in our risk management and compliance efforts. By identifying potential risks and areas for improvement, we were able to proactively address issues, enhance our operations, and maintain the trust of our stakeholders. Whilst this process safeguards our business, it also reinforces our dedication to responsible and sustainable practices.
- 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.

(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.

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 2025. 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 paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers nor is this statement factually inaccurate.

04. CONCLUSION

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 2025 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 10 September 2025.

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 if the remaining unutilised IPO Proceeds allocated for capital expenditure and expansion.

On 5 January 2024, the Company obtained shareholders’ approval at an Extraordinary General Meeting for the variation and extension of timeframe for the utilisation of the remaining unutilised IPO Proceeds. Following that, the remaining unutilised IPO Proceed were utilised in the manners as follows:

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 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	2,854	1,526	-	Within 18 months
Total	31,921	23,487	-	8,434	8,434	6,485	1,949	-	-

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.

As at 31 May 2025, the remaining unutilised proceeds, after the acquisition of machineries and sales and marketing expenses as abovementioned, stood at RM1.949 million. The remaining unutilised proceeds were subsequently reallocated for working capital purposes and fully utilised by 19 July 2025.

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 2025 (“**FYE 2025**”) are as follows:

	Our Group RM'000	Our Company RM'000
Audit fees	135	40
Non-audit fees*	5	5
Total	140	45

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 2025.

04. Recurrent Related Party Transactions (“RRPT”)

During the FYE 2025, 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 Ng Soh Hoon (“ Madam Ng ”)	Mr Lau, Mr Kok and 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	53

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.

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 2025:

	Balance as at 1 June 2024	No. of ESOS options			Balance as at 31 May 2025
		Granted	Exercised	Lapsed / forfeited	
Directors ⁽¹⁾	7,168,600	200,000	-	60,000	7,308,600
Employees	28,142,600	2,800,000	250,300	132,400	30,559,900
Total	35,311,200	3,000,000	250,300	192,400	37,868,500

Notes:
(1) The ESOS options granted and exercised by the non-executive directors during the FYE 2025 are as follows:

Name of director	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	-

Since the commencement of the ESOS, approximately 48.64% of the options under the ESOS have been granted to Directors and senior management of the Group, out of which 19.30% and 29.34% were granted to Directors and senior management respectively.

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, International Financial Reporting Standards (“IFRS”) 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 2025 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 10 September 2025.



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

Directors' Report And
AUDITED FINANCIAL STATEMENTS
31 MAY 2025

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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 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are mainly 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.

RESULTS

	Group RM	Company RM
Profit for the financial year	<u>1,912,377</u>	<u>1,708,090</u>
Attributable to:		
Owners of the Company	2,181,018	1,708,090
Non-controlling interests	<u>(268,641)</u>	<u>-</u>
	<u>1,912,377</u>	<u>1,708,090</u>

DIVIDEND

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

	RM
In respect of financial year ended 31 May 2025:	
Interim single tier dividend of RM0.0050 per ordinary share, declared on 6 December 2024 and paid on 30 December 2024	<u>1,942,450</u>

The Directors do not recommend the payment of any final dividend in respect of financial year ended 31 May 2025.

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

During the 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.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

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 was implemented on 2 November 2021. It 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:

- 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;
- 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;
- 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;
- 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
- 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 2024 (Unit)	Granted (Unit)	Exercised (Unit)	Forfeited (Unit)	Exercisable	
							As at 31 May 2025 (Unit)	as at 31 May 2025 (Unit)
18.11.2021	2.11.2026	0.468	35,311,200	-	-	(192,400)	35,118,800	7,023,760
15.07.2024	2.11.2026	0.365	-	3,000,000	(250,300)	-	2,749,700	2,749,700
			<u>35,311,200</u>	<u>3,000,000</u>	<u>(250,300)</u>	<u>(192,400)</u>	<u>37,868,500</u>	<u>9,773,460</u>

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
Ng Soh Hoon
Philip Goh Teck Siang
Datuk Lee Chong Leng
Chong See Ling (Appointed on 9 May 2025)
Choo Chee Beng (Resigned on 28 February 2025)

Subsidiaries of the Company

Kok Hon Seng
Lau Tee Tee @ Lau Kim Wah
Ng Soh Hoon
Chong Fea Chin
Lim Soon Guan
Teng Tian Hee

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 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:

	----- Number of ordinary shares -----			
	Balance as at 1.6.2024	Bought	Sold	Balance as at 31.5.2025
Ordinary shares in the Company				
<u>Direct interests:</u>				
Kok Hon Seng	23,541,528	-	-	23,541,528
Lau Tee Tee @ Lau Kim Wah	7,788,268	-	-	7,788,268
Ng Soh Hoon	14,004,665	-	-	14,004,665
Philip Goh Teck Siang	200,000	-	-	200,000
Datuk Lee Chong Leng	400,000	-	-	400,000
<u>Indirect interests:</u>				
Kok Hon Seng ⁽¹⁾	214,900,295	-	-	214,900,295
Lau Tee Tee @ Lau Kim Wah ⁽²⁾	207,847,837	-	-	207,847,837
Ng Soh Hoon ⁽³⁾	224,437,158	-	-	224,437,158

⁽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.

⁽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.

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)

	----- Number of ordinary shares -----			
	Balance as at 1.6.2024	Bought	Sold	Balance as at 31.5.2025
Ordinary shares in the ultimate holding company				
<u>Direct interests:</u>				
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
<u>Indirect interests:</u>				
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 1.6.2024	Granted	Exercised	Balance as at 31.5.2025
ESOS in the Company				
Kok Hon Seng	1,442,600	-	-	1,442,600
Lau Tee Tee @ Lau Kim Wah	1,442,000	-	-	1,442,000
Ng Soh Hoon	1,442,000	200,000	-	1,642,000
Philip Goh Teck Siang	300,000	-	-	300,000
Datuk Lee Chong Leng	300,000	-	-	300,000

By virtue of their interests in the ordinary shares of the Company, Kok Hon Seng, Lau Tee Tee @ Lau Kim Wah and Ng Soh Hoon 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 Director 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.

DIRECTORS’ BENEFITS (continued)

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 2025 were as follows:

	Group RM	Company RM
Directors of the Company:		
Fees	534,000	414,000
Salaries, allowance and bonus	605,076	9,600
Contributions to defined contribution plan	113,141	-
Social security contributions	843	-
ESOS expenses	132,416	96,544
	<u>1,385,476</u>	<u>520,144</u>
Directors of the subsidiaries:		
Fees	60,000	-
	<u>1,445,476</u>	<u>520,144</u>

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 bore by the Company for the financial year ended 31 May 2025 was RM22,000.

There were 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 there are no known bad debts to be 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.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

- (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 necessitate the writing off of bad debts or render 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), have expressed their willingness to continue in office.

Auditors’ remuneration of the Group and the Company for the financial year ended 31 May 2025 were as follows:

	Group RM	Company RM
Statutory audit	135,000	40,000
Non-statutory audit	5,000	5,000
	140,000	45,000

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

Kok Hon Seng
Director

Kuala Lumpur
10 September 2025

Lau Tee Tee @ Lau Kim Wah
Director

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 85 to 131 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 2025 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
Director

Kuala Lumpur
10 September 2025

Lau Tee Tee @ Lau Kim Wah
Director

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 85 to 131 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)
10 September 2025)

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 2025 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 85 to 131.

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 2025 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”), 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 2025, the carrying amount of inventories of raw materials of the Group was RM5,530,111 as disclosed in Note 7 to the financial statements.

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.

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)

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 testing the age profile of the raw materials balance to the respective suppliers’ delivery orders;
- (iii) analysed management’s assessment in determining slow-moving and obsolete inventories of raw materials, which are aged one (1) to three (3) years as set out in the Group’s inventory policies in determining the amount of slow moving and obsolete inventories written down.
- (iv) for those raw materials within the above ageing brackets of one (1) to three (3) 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 2025, trade receivables of the Group were RM20,059,816, which were net of impairment losses of RM317,734 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;
- (ii) Re-computed the probability of default using historical data and forward-looking information adjustment applied by the Group;

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)

Our audit procedures included the following:

- (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.
- (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.

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)

- (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

Kuala Lumpur
10 September 2025

Koh Yang Wei
03423/03/2027 J
Chartered Accountant

HPP HOLDINGS BERHAD
(Incorporated in Malaysia)
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	79,167,013	79,782,028	-	-
Investments in subsidiaries	6	-	-	66,881,104	66,059,924
		79,167,013	79,782,028	66,881,104	66,059,924
Current assets					
Inventories	7	10,061,883	9,741,908	-	-
Trade and other receivables	8	24,853,971	19,400,967	25,605,259	21,357,354
Current tax assets		3,182,162	3,158,517	32,441	15,522
Cash and bank balances	9	41,388,824	46,741,525	6,462,097	10,701,756
		79,486,840	79,042,917	32,099,797	32,074,632
TOTAL ASSETS		<u>158,653,853</u>	<u>158,824,945</u>	<u>98,980,901</u>	<u>98,134,556</u>
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	10	90,328,149	90,208,055	90,328,149	90,208,055
Reserves	11	(46,524,222)	(47,499,356)	7,927,778	6,952,644
Retained earnings		79,560,287	79,318,323	618,217	851,469
		123,364,214	122,027,022	98,874,144	98,012,168
Non-controlling interests		1,275,976	1,544,617	-	-
TOTAL EQUITY		<u>124,640,190</u>	<u>123,571,639</u>	<u>98,874,144</u>	<u>98,012,168</u>

Reports And Financial STATEMENTS

HPP HOLDINGS BERHAD
(Incorporated in Malaysia)
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2025 (continued)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	12	77,366	179,130	-	-
Borrowings	13	13,287,861	14,365,183	-	-
Deferred tax liabilities	14	7,875,548	7,870,710	-	-
		21,240,775	22,415,023	-	-
Current liabilities					
Trade and other payables	15	11,190,997	9,839,796	106,757	122,388
Current tax liabilities		5,039	13,335	-	-
Lease liabilities	12	63,587	95,213	-	-
Borrowings	13	1,513,265	2,889,939	-	-
		12,772,888	12,838,283	106,757	122,388
TOTAL LIABILITIES		34,013,663	35,253,306	106,757	122,388
TOTAL EQUITY AND LIABILITIES					
		158,653,853	158,824,945	98,980,901	98,134,556

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

Reports And Financial STATEMENTS

HPP HOLDINGS BERHAD
(Incorporated in Malaysia)
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Revenue	16	64,097,709	68,931,663	2,400,000	6,000,000
Cost of sales		(52,624,995)	(56,107,461)	-	-
Gross profit		11,472,714	12,824,202	2,400,000	6,000,000
Other income		1,791,029	2,261,715	268,817	339,334
Selling and marketing expenses		(438,467)	(1,138,956)	(4,838)	(6,988)
Administrative expenses		(8,493,209)	(8,222,665)	(972,868)	(1,262,827)
Net reversals of impairment losses on financial assets	18	16,843	96,344	-	-
Profit from operations		4,348,910	5,820,640	1,691,111	5,069,519
Finance costs	17	(754,215)	(719,888)	-	-
Profit before tax	18	3,594,695	5,100,752	1,691,111	5,069,519
Taxation	20	(1,682,318)	(1,287,151)	16,979	(11,579)
Profit for the financial year, representing total comprehensive income for the financial year		1,912,377	3,813,601	1,708,090	5,057,940
Profit for the financial year/ Total comprehensive income attributable to:					
Owners of the Company		2,181,018	4,064,415	1,708,090	5,057,940
Non-controlling interests		(268,641)	(250,814)	-	-
		1,912,377	3,813,601	1,708,090	5,057,940
Earnings per share attributable to owners of the Company (sen)					
- Basic	21	0.56	1.05		
- Diluted	21	0.56	1.05		

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 2025

Group	Note	-----Non-distributable----- Distributable				Non- controlling interests RM	Total equity RM
		Share capital RM	Reserves RM	Retained earnings RM	Total 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

HPP HOLDINGS BERHAD
(Incorporated in Malaysia)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2025 (continued)

Group	Note	-----Non-distributable----- Distributable				Non- controlling interests RM	Total equity RM
		Share capital RM	Reserves RM	Retained earnings RM	Total RM		
Balance as at 1 June 2023		90,208,055	(48,804,413)	80,086,624	121,490,266	1,795,431	123,285,697
Profit for the financial year, representing total comprehensive income for the financial year							
		-	-	4,064,415	4,064,415	(250,814)	3,813,601
Transactions with owners of the Company:							
Dividends paid	22	-	-	(4,855,375)	(4,855,375)	-	(4,855,375)
Employee Share Option Scheme ("ESOS") expenses	11(ii)(c)	-	1,327,716	-	1,327,716	-	1,327,716
Forfeiture of ESOS		-	(22,659)	22,659	-	-	-
Total transactions with owners of the Company							
		-	1,305,057	(4,832,716)	(3,527,659)	-	(3,527,659)
Balance as at 31 May 2024		90,208,055	(47,499,356)	79,318,323	122,027,022	1,544,617	123,571,639

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

Reports And Financial STATEMENTS

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

		-----Non-distributable-----		Distributable	
	Note	Share capital RM	Reserves RM	Retained earnings RM	Total equity RM
Company					
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
Balance as at 1 June 2023		90,208,055	5,647,587	626,245	96,481,887
Profit for the financial year, representing total comprehensive income for the financial year		-	-	5,057,940	5,057,940
Transactions with owners of the Company					
Dividends paid	22	-	-	(4,855,375)	(4,855,375)
ESOS expenses	11(ii)(c)	-	1,327,716	-	1,327,716
Forfeiture of ESOS		-	(22,659)	22,659	-
Total of transactions with owners of the Company		-	1,305,057	(4,832,716)	(3,527,659)
Balance as at 31 May 2024		90,208,055	6,952,644	851,469	98,012,168

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

Reports And Financial STATEMENTS

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		3,594,695	5,100,752	1,691,111	5,069,519
Adjustments for:					
Depreciation of property, plant and equipment	5	5,350,833	4,873,327	-	-
Dividend income	16	-	-	(2,400,000)	(6,000,000)
Employee share options scheme expenses	11(ii)(c)	1,007,264	1,327,716	183,796	195,039
Gain on disposal of property, plant and equipment	18	(24,999)	(21,000)	-	-
Gain on lease termination	12(c)	(3,618)	(3,573)	-	-
Impairment losses on:					
- property, plant and equipment	5(d)	94,500	-	-	-
- trade receivables	8(e)	29,674	-	-	-
Interest expense	17	754,215	719,888	-	-
Interest income	18	(1,176,853)	(1,249,717)	(268,776)	(339,334)
Inventories written down	7	116,890	-	-	-
Inventories written off	7	144,969	196,122	-	-
Property, plant and equipment written off		51,750	15,184	-	-
Reversal of impairment losses on trade receivables	8(e)	(46,517)	(96,344)	-	-
Unrealised loss on foreign exchange	18	165,262	36,313	-	-
Operating profit/(loss) before changes in working capital		10,058,065	10,898,668	(793,869)	(1,074,776)
Changes in working capital:					
Inventories		(581,834)	4,280,528	-	-
Trade and other receivables		(5,582,749)	5,180,782	2,095	(2,484)
Trade and other payables		913,361	923,823	(15,631)	45,688
Cash generated from/(used in) operations		4,806,843	21,283,801	(807,405)	(1,031,572)
Tax paid		(1,892,732)	(1,131,582)	(3,740)	(28,850)
Tax refunded		183,311	53,355	3,800	-
Net cash from/(used in) operating activities		3,097,422	20,205,574	(807,345)	(1,060,422)

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025 (continued)

Note	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to a subsidiary company	-	-	(4,250,000)	-
Dividends received	16	-	2,400,000	6,000,000
Placements in fixed deposits pledged to licensed banks	9	(14,653)	-	-
Withdrawals of fixed deposits with maturity more than three (3) months	9	55,570	2,324,329	225,671
Interest received		1,176,853	268,776	339,334
Purchase of property, plant and equipment	5(c)	(4,465,583)	-	-
Proceeds from disposal of property, plant and equipment (Repayments to)/Advances from ultimate holding company		25,000	-	-
		(13,200)	-	-
Net cash (used in)/from investing activities		(3,236,013)	743,105	6,565,005
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	22	(1,942,450)	(1,942,450)	(4,855,375)
Interest expense paid on:				
- borrowings		(739,537)	-	-
- lease liabilities	12	(14,678)	-	-
Payments of lease liabilities	12	(95,218)	-	-
Drawdown of term loan		246,673	-	-
Repayments of term loans		(2,700,669)	-	-
Proceeds from ordinary shares issued pursuant to ESOS exercised	10(a)	91,360	91,360	-
Net cash used in financing activities		(5,154,519)	(1,851,090)	(4,855,375)
Net (decrease)/increase in cash and cash equivalents		(5,293,110)	(1,915,330)	649,208
Effects of exchange rate changes on cash and cash equivalents held		(18,674)	-	-
Cash and cash equivalents at beginning of financial year		35,173,038	8,377,427	7,728,219
Cash and cash equivalents at end of financial year	9	29,861,254	6,462,097	8,377,427

HPP HOLDINGS BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2025 (continued)

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

Group	Note	Borrowings (Note 13) RM	Lease liabilities (Note 12) RM
		2025	2024
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
2024			
At beginning of the financial year		8,062,246	604,623
Cash flows:			
- Drawdowns	5(c)	11,594,162	-
- Repayments of principal		(2,401,286)	(252,134)
- Repayments of interest		(692,526)	(27,362)
Non-cash flows:			
- Interest expense		692,526	27,362
- Lease termination		-	(78,146)
At end of the financial year		17,255,122	274,343

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

HPP HOLDINGS BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS
31 MAY 2025

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 2025 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 10 September 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are mainly 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 has 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
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)

	Corrugated packaging RM	Non- corrugated packaging RM	Rigid boxes RM	Paper pulp moulded packaging RM	Others RM	Adjustments and eliminations RM	Group RM
2024							
External revenue	18,937,504	34,776,274	8,917,696	915,760	5,384,429	-	68,931,663
Inter-segment revenue	30,863	56,676	1,708,529	-	6,488,776	(8,284,844)	-
Total revenue	18,968,367	34,832,950	10,626,225	915,760	11,873,205	(8,284,844)	68,931,663
Results							
Depreciation of property, plant and equipment	1,542,421	2,832,457	365,134	194,625	438,551	(499,861)	4,873,327
ESOS expenses	-	-	-	-	1,327,716	-	1,327,716
Other non-cash expenses	34,809	63,922	16,391	1,683	9,897	-	126,702
Segment profit/(loss) from operations	2,868,393	7,895,030	183,880	(141,500)	1,014,837	(6,000,000)	5,820,640
Assets							
Additions to non-current assets	1,277,823	2,346,556	767,758	19,206,925	363,320	-	23,962,382
Segment assets	72,226,047	132,633,782	3,707,171	19,868,568	20,535,755	(93,304,895)	155,666,428
Liabilities							
Segment liabilities	14,441,608	26,520,142	1,182,267	6,464,086	4,106,127	(25,344,969)	27,369,261

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	
	2025	2024
	RM	RM
Profit for the financial year		
Segment profit from operations	4,348,910	5,820,640
Finance costs	(754,215)	(719,888)
Tax expense	(1,682,318)	(1,287,151)
Profit for the financial year as per statements of profit or loss and other comprehensive income	1,912,377	3,813,601
Other non-cash (income)/expenses		
Gain on disposal of property, plant and equipment	(24,999)	(21,000)
Gain on lease termination	(3,618)	(3,573)
Impairment losses on:		
- property, plant and equipment	94,500	-
- trade receivables	29,674	-
Reversal of impairment loss on trade receivables	(46,517)	(96,344)
Property, plant and equipment written off	51,750	15,184
Inventories written down	116,890	-
Inventories written off	144,969	196,122
Unrealised loss on foreign exchange	165,262	36,313
	527,911	126,702
Additions to non-current assets		
Property, plant and equipment	4,916,623	23,962,382
Assets		
Segments assets	155,471,691	155,666,428
Current tax assets	3,182,162	3,158,517
Total assets	158,653,853	158,824,945
Liabilities		
Segments liabilities	26,133,076	27,369,261
Deferred tax liabilities	7,875,548	7,870,710
Current tax liabilities	5,039	13,335
Total liabilities	34,013,663	35,253,306

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	
	2025	2024
	RM	RM
Customer A	8,964,374	11,002,719
Customer B	7,626,256	6,974,894

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5. PROPERTY, PLANT AND EQUIPMENT

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)

Group	[----- Right-of-use assets-----]									
2024	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	12,400,413	60,005,526	2,493,977	3,020,000	439,245	1,574,177	9,978,449	675,913	271,460	90,859,160
Additions	1,930,934	4,253,565	216,780	240,724	127,475	11,020,390	6,172,514	-	-	23,962,382
Disposals	-	-	(133,815)	-	-	-	-	-	-	(133,815)
Written off	-	-	-	-	(35,040)	-	-	-	-	(35,040)
Lease termination	-	-	-	-	-	-	-	(491,633)	-	(491,633)
Reclassification	5,210,984	-	-	-	-	(5,210,984)	-	-	-	-
At end 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
Accumulated depreciation										
At beginning of the financial year	1,346,261	23,984,520	2,269,122	1,319,427	128,389	-	689,299	303,217	36,195	30,076,430
Charge for the financial year	311,757	3,686,158	109,354	267,040	49,363	-	189,380	205,983	54,292	4,873,327
Disposals	-	-	(133,815)	-	-	-	-	-	-	(133,815)
Written off	-	-	-	-	(19,856)	-	-	-	-	(19,856)
Lease termination	-	-	-	-	-	-	-	(417,060)	-	(417,060)
At end 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
Net carrying amount	17,884,313	36,588,413	332,281	1,674,257	373,784	7,383,583	15,272,284	92,140	180,973	79,782,028

* 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 represents factory included in property, plant and equipment are not depreciated as these assets are 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	
	2025 RM	2024 RM
Additions of property, plant and equipment	4,916,623	23,962,382
Financed by term loans (Note 13)	-	(11,594,162)
Unsettled and remained as other payables	(451,040)	(513,356)
Cash payments on purchases of property, plant and equipment	4,465,583	11,854,864

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”).

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 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, as well as determining an appropriate pre-tax discount rate.

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 RM94,500 (2024: Nil) 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	
	2025 RM	2024 RM
Leasehold land	10,546,942	10,677,959
Buildings	22,342,729	20,427,563
Plant and machinery	10,707,406	11,904,047
	43,597,077	43,009,569

- (f) The leasehold land of the Group have unexpired lease periods of 71 years to 72 years (2024: 72 years to 73 years).

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost		
As at beginning/as at end of financial year	59,952,000	59,952,000
Capital contribution to subsidiaries		
As at beginning of financial year	6,107,924	4,975,247
Forfeiture of ESOS	(2,288)	-
ESOS expenses (Note 11(ii)(c))	823,468	1,132,677
As at end of financial year	6,929,104	6,107,924
Net carrying amount	66,881,104	66,059,924

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) Capital contribution to subsidiaries

The capital contribution amounting to RM823,468 (2024: RM1,132,677) represents ESOS granted by the Company to the employees of its subsidiaries and is treated as additional cost of its investments in the subsidiaries.

- (c) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective equity interest		Principal activities
		2025	2024	
		%	%	
Hayan Prints (M) Sdn. Bhd.	Malaysia	100	100	Printing and production of paper-based packaging, including corrugated, non-corrugated, 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

- (d) Summarised information of a company with non-controlling interest ("NCI") that is material to the Group is set out below.

	2025	2024
Envy Premium Box Supplies Sdn. Bhd. ("Envy")		
NCI percentage of ownership and voting interest (%)	49%	49%
Carrying amount of NCI (RM)	1,275,976	1,544,617
Loss for the financial year allocated to NCI, representing total comprehensive loss for the financial year allocated to NCI (RM)	(268,641)	(250,814)

6. INVESTMENTS IN SUBSIDIARIES (continued)

- (e) Summarised financial information before inter-company elimination of the Group's subsidiary that has NCI is as follows:

	2025 RM	2024 RM
Envy Premium Box Supplies Sdn. Bhd.		
Assets and liabilities		
Non-current assets	710,885	1,037,786
Current assets	2,571,615	3,396,396
Non-current liabilities	(188,498)	(333,570)
Current liabilities	(381,100)	(848,696)
Net assets	2,712,902	3,251,916
Less: Contribution from intermediate holding company	(108,876)	(99,640)
Adjusted net assets	2,604,026	3,152,276
Results		
Revenue	1,522,629	3,223,810
Loss for the financial year, representing total comprehensive loss for the financial year	(548,247)	(511,866)
Cash flows from operating activities	237,977	159,272
Cash flows (used in)/from investing activities	(89,610)	341,517
Cash flows used in financing activities	(342,120)	(544,645)
Net decrease in cash and cash equivalents	(193,753)	(43,856)

7. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Raw materials	5,530,111	6,227,364
Work-in-progress	1,627,401	1,222,650
Finished goods	2,904,371	2,291,894
	10,061,883	9,741,908
Recognised in profit or loss:		
Inventories written down	116,890	-
Inventories written off	144,969	196,122

- (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 RM52,262,968 (2024: RM55,681,004).

7. INVENTORIES (continued)

- (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 material of one (1) to three (3) years as set out in the Group's inventories policies and identifying inventories within the above ageing brackets of one (1) to three (3) 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 RM97,485 (2024: Nil) of the carrying value of inventories of raw materials due to slow moving and obsolete inventories.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade receivables				
Third parties	20,377,550	19,053,316	-	-
Less: Impairment losses	(317,734)	(334,577)	-	-
	20,059,816	18,718,739	-	-
Other receivables				
Third parties	93,731	102,849	-	-
Amounts due from subsidiaries	-	-	25,591,144	21,341,144
Deposits	4,462,117	254,284	-	-
	4,555,848	357,133	25,591,144	21,341,144
Total current receivables, net of prepayments	24,615,664	19,075,872	25,591,144	21,341,144
Prepayments	238,307	325,095	14,115	16,210
Total trade and other receivables	24,853,971	19,400,967	25,605,259	21,357,354

- (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 (2024: 30 to 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Included in deposits of the Group are utility deposits of RM3,788,560 (2024: Nil) paid in relation to solar installation and underground electricity cabling.
- (d) 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 are separately assessed when it is probable that cash due will not be received in full.

8. TRADE AND OTHER RECEIVABLES (continued)

- (d) (continued)

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.

- (e) 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
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
2024			
Current	17,650,607	(12,197)	17,638,410
Past due:			
1 to 30 days	1,055,035	(22,827)	1,032,208
31 to 60 days	14,446	(2,920)	11,526
61 to 90 days	61,287	(24,692)	36,595
More than 90 days	259,457	(259,457)	-
	1,390,225	(309,896)	1,080,329
Credit impaired			
Individually impaired	12,484	(12,484)	-
	19,053,316	(334,577)	18,718,739

8. TRADE AND OTHER RECEIVABLES (continued)

(f) 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 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
At 1 June 2023	418,437	12,484	430,921
Reversal of impairment losses	(96,344)	-	(96,344)
At 31 May 2024	322,093	12,484	334,577

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

- (g) The amounts due from subsidiaries are non-trade in nature, unsecured, interest free and are collectible on demand.
- (h) Impairment for other receivables and amounts due from subsidiaries as well as deposits are recognised 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 amounts due from subsidiaries as well as deposits 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.

8. TRADE AND OTHER RECEIVABLES (continued)

(h) (continued)

Significant judgement is required in determining the probabilities of default by other receivables and amounts owing by subsidiaries, appropriate forward looking information and significant increase in credit risk.

No expected credit loss is recognised arising from the other receivables and amounts due from subsidiaries as well as deposits of the Group and of the Company as the amount is negligible.

(i) The currency exposure profiles of trade and other receivables, excluding prepayments are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia (“RM”)	19,931,962	15,450,248	25,591,144	21,341,144
United States Dollar (“USD”)	4,676,172	3,397,361	-	-
Singapore Dollar (“SGD”)	7,530	228,263	-	-
	24,615,664	19,075,872	25,591,144	21,341,144

(j) 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:

Group	Profit after tax		Equity	
	2025 RM	2024 RM	2025 RM	2024 RM
USD/RM				
- strengthened 10% (2024 :10%)	355,389	258,199	-	-
- weakened 10% (2024 :10%)	(355,389)	(258,199)	-	-
SGD/RM				
- strengthened 10% (2024 :10%)	572	17,348	-	-
- weakened 10% (2024 :10%)	(572)	(17,348)	-	-

(k) 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) (2024: six (6)) customers, which constituted approximately 59% (2024: 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 other than amount due from subsidiaries of RM25,591,144 (2024: RM21,341,144).

(l) 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 BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposits with licensed banks	12,027,570	14,715,211	-	2,624,329
Short-term funds	19,475,578	21,953,577	5,961,870	7,894,266
Cash and bank balances	9,885,676	10,072,737	500,227	183,161
As disclosed in statements of financial positions	41,388,824	46,741,525	6,462,097	10,701,756
Less:				
Fixed deposits with maturity period more than three (3) months	(10,960,316)	(11,015,886)	-	(2,324,329)
Fixed deposits pledged as security	(567,254)	(552,601)	-	-
Cash and cash equivalents included in the statements of cash flows	29,861,254	35,173,038	6,462,097	8,377,427

- (a) Cash and bank balances (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 RM567,254 (2024: RM552,601), 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 are 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 bank balances is as follow:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia ("RM")	40,308,305	45,679,009	6,462,097	10,701,756
United States Dollar ("USD")	1,080,519	954,945	-	-
Singapore Dollar ("SGD")	-	107,571	-	-
	41,388,824	46,741,525	6,462,097	10,701,756

9. CASH AND BANK BALANCES (continued)

- (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	2025 RM	2024 RM	2025 RM	2024 RM
USD/RM				
- strengthened 10% (2024 :10%)	82,119	72,576	-	-
- weakened 10% (2024 :10%)	(82,119)	(72,576)	-	-
SGD/RM				
- strengthened 10% (2024 :10%)	-	8,175	-	-
- weakened 10% (2024 :10%)	-	(8,175)	-	-

- (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	
	2025 %	2024 %	2025 %	2024 %
Fixed rate	3.81	3.70	-	3.46

- (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	
	2025	2024	2025 RM	2024 RM
Issued and fully paid:				
Ordinary shares with no par value				
At beginning of the financial year	388,430,000	388,430,000	90,208,055	90,208,055
Issuance of ordinary share pursuant to ESOS exercised	250,300	-	120,094	-
At end of the financial year	388,680,300	388,430,000	90,328,149	90,208,055

- (a) During the 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

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Restructuring reserve	(i)	(54,452,000)	(54,452,000)	-	-
Share options reserves ("ESOS")	(ii)	7,927,778	6,952,644	7,927,778	6,952,644
		<u>(46,524,222)</u>	<u>(47,499,356)</u>	<u>7,927,778</u>	<u>6,952,644</u>

(i) Restructuring reserve

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
	<u>59,952,000</u>
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)
	<u>(5,500,000)</u>
Restructuring reserve	<u>54,452,000</u>

(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 2024	Granted Unit	Exercised Unit	Forfeited Unit	As at 31 May 2025
			Unit				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
			<u>35,311,200</u>	<u>3,000,000</u>	<u>(250,300)</u>	<u>(192,400)</u>	<u>37,868,500</u>

Grant date	Expiry date	Exercise price RM	As at 1 June 2023	Granted Unit	Forfeited Unit	As at 31 May 2024
			Unit			Unit
18.11.2021	2.11.2026	0.468	35,992,200	-	(681,000)	35,311,200

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.

11. RESERVES (continued)

(ii) ESOS (continued)

The number of share options exercisable as at the end of the reporting period are as follows:

	2025 Unit	2024 Unit
Exercisable as at 31 May	<u>9,773,460</u>	<u>7,062,240</u>

- (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 establishment of an ESOS, which is governed by the By-Laws. The ESOS was implemented on 2 November 2021.

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Recognition of share option expenses	1,007,264	1,327,716	1,007,264	1,327,716
Less: Capitalised as investments in subsidiaries (Note 6)	<u>-</u>	<u>-</u>	<u>(823,468)</u>	<u>(1,132,677)</u>
	<u>1,007,264</u>	<u>1,327,716</u>	<u>183,796</u>	<u>195,039</u>

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 2025	Granted on 18 November 2021
Fair value at grant date (RM)	0.11	0.22
Weighted average share price at grant date (RM)	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

	Buildings RM	Motor vehicles RM	Total RM
31.05.2025			
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
31.05.2024			
As at 1 June 2023	384,199	220,424	604,623
Lease termination	(78,146)	-	(78,146)
Payments of:			
- Principal	(207,629)	(44,505)	(252,134)
- Interest expense	(14,771)	(12,591)	(27,362)
Interest expense	14,771	12,591	27,362
As at 31 May 2024	98,424	175,919	274,343

12. LEASE LIABILITIES (continued)

	Group	
	2025 RM	2024 RM
Represented by:		
Current liabilities	63,587	95,213
Non-current liabilities	77,366	179,130
	140,953	274,343
Lease liabilities owing to non-financial institutions	12,720	98,424
Lease liabilities owing to a financial institution	128,233	175,919
	140,953	274,343

- (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	
	2025 RM	2024 RM
Included in cost of sales:		
Depreciation charge of right-of-use assets	184,199	314,336
Expense relating to short-term leases	18,918	295
Expense relating to leases of low-value assets	27,848	5,775
Included in administrative expenses:		
Depreciation charge of right-of-use assets	126,608	135,319
Expense relating to short-term leases	3,228	7,010
Included in finance costs:		
Interest expense on lease liabilities	14,678	27,362
Included in other income:		
Gain on lease termination	(3,618)	(3,573)
	371,861	486,524

12. LEASE LIABILITIES (continued)

(d) Total cash outflow for leases of the Group are as follows:

	Group	
	2025 RM	2024 RM
Included in net cash used in operating activities:		
Payments relating to low-value assets	27,848	5,775
Payments relating to short-term leases	22,146	7,305
Included in net cash used in financing activities:		
Payments of lease liabilities	95,218	252,134
Payments of lease interests	14,678	27,362
Total cash outflow for leases	159,890	292,576

(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 RM	One to two years RM	Two to five years RM	Total RM
2025					
Fixed rate					
Lease liabilities	6.24	63,587	53,963	23,403	140,953
2024					
Fixed rate					
Lease liabilities	6.42	95,213	101,762	77,368	274,343

(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 RM	One to five years RM	Total RM
2025			
Lease liabilities	70,296	80,831	151,127
2024			
Lease liabilities	109,896	190,727	300,623

12. LEASE LIABILITIES (continued)

(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	
	2025 RM	2024 RM	2025 RM	2024 RM
Current liabilities				
Term loans	1,513,265	2,889,939	-	-
Financial guarantee contracts	-	-	-*	-*
	1,513,265	2,889,939	-	-
Non-current liabilities				
Term loans	13,287,861	14,365,183	-	-
Total borrowings	14,801,126	17,255,122	-	-

* 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;
- (iii) Corporate guarantee in favour of the bank by the Company; and
- (iv) 80% guarantee by the Malaysian Government under Special Relief Facility Scheme.

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 RM	One to two years RM	Two to five years RM	Over five years RM	Total RM
2025	%					
Floating rate						
Term loans	4.54	1,513,265	1,160,011	3,819,170	8,308,680	14,801,126
2024						
Floating rate						
Term loans	4.56	2,889,939	1,462,405	3,702,203	9,200,575	17,255,122

- (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:

Group	Profit after tax		Equity	
	2025 RM	2024 RM	2025 RM	2024 RM
Effect of 100 basis point				
Floating rate instrument	112,489	131,139	-	-

- (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 RM	One to five years RM	Over five years RM	Total RM
2025				
Term loans	2,143,657	6,935,808	9,782,190	18,861,655
2024				
Term loans	3,598,244	7,277,533	10,821,027	21,696,804
Company				
2025				
Financial guarantee contracts	18,861,655	-	-	18,861,655
2024				
Financial guarantee contracts	21,696,804	-	-	21,696,804

- (g) Borrowings of the Group are denominated in Ringgit Malaysia ("RM").

14. DEFERRED TAX LIABILITIES

	Group	
	2025 RM	2024 RM
At beginning of the financial year	7,870,710	7,788,660
Recognised in profit or loss (Note 20)	4,838	82,050
At end of the financial year	7,875,548	7,870,710
Presented after appropriate offsetting:		
Deferred tax liabilities, net	7,875,548	7,870,710

- (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 RM	Unused tax losses RM	Others RM	Total RM
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				-
As at 1 June 2023	(78,053)	(33,738)	(67,734)	(179,525)
Recognised in profit or loss	39,133	(87,312)	(150,677)	(198,856)
As at 31 May 2024 prior to offsetting	(38,920)	(121,050)	(218,411)	(378,381)
Offsetting				378,381
As at 31 May 2024				-

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Total RM
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
As at 1 June 2023	7,968,185	7,968,185
Recognised in profit or loss	280,906	280,906
As at 31 May 2024 prior to offsetting	8,249,091	8,249,091
Offsetting		(378,381)
As at 31 May 2024		7,870,710

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	
	2025 RM	2024 RM
Unused tax losses		
- Expires by 31 May 2034	215,652	41,061
- Expires by 31 May 2035	334,416	-
	<u>550,068</u>	<u>41,061</u>

Deferred tax asset of a subsidiary has 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
Third parties	6,436,173	5,868,441	-	-
Other payables				
Third parties	2,193,762	1,524,503	25,957	42,388
Amount due to ultimate holding company	8,800	22,000	-	-
Accruals	2,552,262	2,424,852	80,800	80,000
	<u>11,190,997</u>	<u>9,839,796</u>	<u>106,757</u>	<u>122,388</u>

- (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 (2024: 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia ("RM")	11,097,383	9,623,577	106,757	122,388
United States Dollar ("USD")	93,614	216,219	-	-
	<u>11,190,997</u>	<u>9,839,796</u>	<u>106,757</u>	<u>122,388</u>

15. TRADE AND OTHER PAYABLES (continued)

- (e) During the year, the sensitivity of profit after tax and equity of the Group to a possible change in the USD against the functional currency of the Group with all other variables held constant is as follows:

	Profit after tax		Equity	
Group	2025 RM	2024 RM	2025 RM	2024 RM
USD/RM				
- strengthened 10%	(7,115)	(16,433)	-	-
- weakened 10%	7,115	16,433	-	-

- (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	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contract with customers:				
Sales of paper-based packaging products	64,097,709	68,931,663	-	-
Revenue from other source:				
Dividend income from a subsidiary	-	-	2,400,000	6,000,000
	<u>64,097,709</u>	<u>68,931,663</u>	<u>2,400,000</u>	<u>6,000,000</u>
Timing of revenue recognition				
Transferred at a point in time	64,097,709	68,931,663	2,400,000	6,000,000

- (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 goods have been accepted by the customer.

- (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	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	54,213,841	59,389,644	2,400,000	6,000,000
North America	2,990,234	2,514,252	-	-
Southeast Asia	6,817,838	6,867,817	-	-
East Asia	75,796	159,950	-	-
	<u>64,097,709</u>	<u>68,931,663</u>	<u>2,400,000</u>	<u>6,000,000</u>

17. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expense on:		
- borrowings	739,537	692,526
- lease liabilities	<u>14,678</u>	<u>27,362</u>
	<u>754,215</u>	<u>719,888</u>

18. PROFIT BEFORE TAX

- (a) Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
After charging:				
Auditors' remuneration				
- current year	135,000	135,000	40,000	40,000
- non-statutory audit	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	5,350,833	4,873,327	-	-
Impairment losses on property, plant and equipment	94,500	-	-	-
Inventories written down	116,890	-	-	-
Inventories written off	144,969	196,122		
Property, plant and equipment written off	51,750	15,184	-	-
Rental expenses on:				
- low value assets	27,848	5,775	-	-
- short-term leases	22,146	7,305	-	-
Loss on foreign exchange:				
- realised	359,824	-	-	-
- unrealised	165,262	36,313	-	-

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	
	2025 RM	2024 RM	2025 RM	2024 RM
and crediting:				
Gain on disposal of property, plant and equipment	(24,999)	(21,000)	-	-
Gain on lease termination	(3,618)	(3,573)	-	-
Interest income	(1,176,853)	(1,249,717)	(268,776)	(339,334)
Realised gain on foreign exchange	<u>-</u>	<u>(223,792)</u>	<u>-</u>	<u>-</u>

Interest income is recognised on an accrual basis using the effective interest method.

- (b) Net reversals of impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2025 RM	2024 RM
Impairment losses on trade receivables (Note 8(e))	29,674	-
Reversal of impairment losses on trade receivables (Note 8 (e))	<u>(46,517)</u>	<u>(96,344)</u>
Net reversals of impairment losses on financial assets	<u>(16,843)</u>	<u>(96,344)</u>

19. EMPLOYEE BENEFITS

	Group	
	2025 RM	2024 RM
Salaries, allowance and bonus	14,540,314	13,545,691
Contributions to defined contribution plan	1,307,842	1,197,695
Social security contributions	200,503	172,441
ESOS expenses	<u>1,007,264</u>	<u>1,327,716</u>
	<u>17,055,923</u>	<u>16,243,543</u>

Included in the employee benefits of the Group and of the Company are remuneration of Directors amounting to RM1,445,476 (2024: RM1,627,152) and RM520,144 (2024: RM624,239) respectively as disclosed in Note 23(c) to the financial statements.

20. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense based on profit for the financial year:				
- Current year	1,489,594	1,062,245	-	16,979
- Under/(Over) provision in prior years	187,886	142,856	(16,979)	(5,400)
	1,677,480	1,205,101	(16,979)	11,579
Deferred tax (Note 14):				
- Relating to origination and reversal of temporary differences	(101,976)	129,496	-	-
- Under/(Over) provision in prior years	106,814	(47,446)	-	-
	4,838	82,050	-	-
Taxation for the financial year	1,682,318	1,287,151	(16,979)	11,579

- (a) Malaysian income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	3,594,695	5,100,752	1,691,111	5,069,519
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	862,727	1,224,181	405,867	1,216,685
Tax effects in respect of:				
Non-deductible expenses	564,887	679,654	222,368	298,585
Non-taxable income	(162,158)	(189,014)	(628,235)	(1,498,291)
Unrecognised deferred tax assets	122,162	9,855	-	-
Utilisation of reinvestment allowances in the current financial year	-	(532,935)	-	-
	1,387,618	1,191,741	-	16,979
Under/(Over) provision of tax expense in prior years	187,886	142,856	(16,979)	(5,400)
Under/(Over) provision of deferred tax in prior years	106,814	(47,446)	-	-
Taxation for the financial year	1,682,318	1,287,151	(16,979)	11,579

21. EARNINGS PER ORDINARY SHARE

(a) Basic		Group	
		2025	2024
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.			
	Profit attributable to the owners of the Company for the financial year (RM)	2,181,018	4,064,415
	Weighted average number of ordinary shares at end of the financial year (unit)	388,501,000	388,430,000
	Basic earnings per ordinary share (sen)	0.56	1.05

- (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	
	2025	2024
Profit attributable to the owners of the Company for the financial year (RM)	2,181,018	4,064,415
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share	388,501,000	388,430,000
Effect of dilution from Employee's Share Option Scheme	2,749,700	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	391,250,700	388,430,000
Diluted earnings per ordinary share (sen)	0.56	1.05

In the previous financial year, the Group had no dilution in earnings per ordinary shares as the exercise price of the employee share options exceeded the average market price of ordinary shares and therefore, the employee share options did not have any dilutive effect on the weighted average number of ordinary shares.

22. DIVIDEND

		Group and Company	
		2025 RM	2024 RM
Paid on	Attributable to owners of the Company:		
	Recognised for the financial year ended 31 May 2024:		
Final single tier dividend in respect of financial year ended 31 May 2023 of RM0.0075 per ordinary share			
	30 November 2023	-	2,913,225

22. DIVIDEND (continued)

		Group and Company	
		2025	2024
	Paid on	RM	RM
Attributable to owners of the Company: (continued)			
Recognised for the financial year ended 31 May 2024: (continued)			
Interim single tier dividend in respect of financial year ended 31 May 2024 of RM0.0075 per ordinary share	1 March 2024	-	1,942,150
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	-
		1,942,450	4,855,375
The Directors do not recommend the payment of any final dividend in respect of financial year ended 31 May 2025.			

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		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Transaction with ultimate holding company				
Aurora Meadow Sdn. Bhd. - Lease expenses	52,800	52,800	-	-
Transactions with a subsidiary				
Hayan Prints (M) Sdn. Bhd. - Dividend income	<u>-</u>	<u>-</u>	<u>2,400,000</u>	<u>6,000,000</u>

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 2025 and 31 May 2024 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		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company:				
Fees	534,000	540,000	414,000	420,000
Salaries, allowance and bonus	605,076	639,200	9,600	9,200
Contributions to defined contribution plan	113,141	119,700	-	-
Social security contributions	843	743	-	-
ESOS expenses	<u>132,416</u>	<u>267,509</u>	<u>96,544</u>	<u>195,039</u>
	<u>1,385,476</u>	<u>1,567,152</u>	<u>520,144</u>	<u>624,239</u>

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	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the subsidiaries:				
Fees	60,000	60,000	-	-
	<u>1,445,476</u>	<u>1,627,152</u>	<u>520,144</u>	<u>624,239</u>
Key management personnel:				
Salaries, allowance and bonus	588,320	469,638	-	-
Contributions to defined contribution plan	70,701	50,454	-	-
Social security contributions	3,540	2,773	-	-
ESOS expenses	119,711	125,085	-	-
	<u>782,272</u>	<u>647,950</u>	<u>-</u>	<u>-</u>

24. CAPITAL COMMITMENT

	Group	
	2025 RM	2024 RM
Capital expenditure in respect of purchase of property, plant and equipment		
- Approved and contracted for	<u>1,325,867</u>	<u>3,189,441</u>

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") and Singapore Dollar ("SGD").

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 capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and adjusts it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group 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 2025 and 31 May 2024.

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	
	2025 RM	2024 RM
Borrowings	14,801,126	17,255,122
Lease liabilities	140,953	274,343
Total debts	14,942,079	17,529,465
Total equity attributable to the owners of the Company	123,364,214	122,027,022
Debt-to-equity ratio	0.12	0.14

The Group is not subject to any externally imposed capital requirements.

There were no changes in the Group'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 2025.

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 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 16 <i>Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024

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 2025

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 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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.

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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 2025 (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	20	99 years expiring on 14 August 2096 (remaining tenure 71 years)	05/11/2003	1,336
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 and No. 22A, Jalan TTC 28, Taman Teknologi Cheng	20	99 years expiring on 14 August 2096 (remaining tenure 71 years)	05/11/2003	1,025
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	7	99 years expiring on 14 August 2096 (remaining tenure 71 years)	03/05/2016	2,852
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	6	99 years expiring on 14 August 2096 (remaining tenure 71 years)	03/05/2016	3,340
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	18	99 years expiring on 14 August 2096 (remaining tenure 71 years)	23/08/2017	2,432

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 2025 (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	20	99 years expiring on 14 August 2096 (remaining tenure 71 years)	30/12/2009	916
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	18	99 years expiring on 14 August 2096 (remaining tenure 71 years)	14/09/2018	5,899
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	1	99 years expiring on 14 August 2096 (remaining tenure 71 years)	17/08/2022	3,499
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	1	99 years expiring on 14 August 2096 (remaining tenure 71 years)	17/08/2022	3,499
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)	21 0	99 years expiring on 29 March 2097 (remaining tenure 72 years)	21/09/2023	17,268

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
29 AUGUST 2025

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	0.29	100	0.00
100 to 1,000 shares	388	15.98	244,200	0.06
1,001 to 10,000 shares	1,139	46.91	6,441,100	1.66
10,001 to 100,000 shares	737	30.36	26,573,700	6.84
100,001 to 19,434,014 shares (*)	154	6.34	103,900,340	26.73
19,434,015 shares and above (**)	3	0.12	251,520,860	64.71
Total	2,428	100.00	388,680,300	100.00

Notes:
* Less than 5% of issued shares
** 5% and above of issued shares

Substantial Shareholders
AS AT 29 AUGUST 2025

Name	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Aurora Meadow Sdn. Bhd.	200,895,630	51.69	-	-
Ang Poh Geok	26,248,702	6.75	-	-
Kok Hon Seng	24,376,528	6.27	214,900,295 ⁽¹⁾	55.29
Lau Tee Tee @ Lau Kim Wah	7,888,268	2.03	207,847,837 ⁽²⁾	53.48
Ng Soh Hoon	14,004,665	3.60	225,272,158 ⁽³⁾	57.96
Chong Fea Chin	6,952,207	1.79	208,783,898 ⁽⁴⁾	53.72

Notes:
(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 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 pursuant to Section 8 of the Act.
(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 pursuant to Section 8 of the Act.
(4) 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.

Directors’ Shareholdings
29 AUGUST 2025

Name	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
Lau Tee Tee @ Lau Kim Wah	7,888,268	2.03	207,847,837 ⁽¹⁾	53.48
Kok Hon Seng	24,376,528	6.27	214,900,295 ⁽²⁾	55.29
Ng Soh Hoon	14,004,665	3.60	225,272,158 ⁽³⁾	57.96
Philip Goh Teck Siang	200,000	0.05	-	-
Datuk Lee Chong Leng	400,000	0.10	-	-
Chong See Ling	-	-	-	-

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 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.

Thirty Largest Shareholders
AS AT 29 AUGUST 2025

No.	Name of holders	No. of Shares	%
1	Aurora Meadow Sdn. Bhd.	200,895,630	51.69
2	Ang Poh Geok	26,248,702	6.75
3	Kok Hon Seng	24,376,528	6.27
4	Ng Soh Hoon	14,004,665	3.60
5	Tan Kok Choon	8,408,400	2.16
6	Lau Tee Tee @ Lau Kim Wah	7,888,268	2.03
7	Chong Fea Chin	6,952,207	1.79
8	Ji Yeh Ming	4,000,000	1.03
9	Ooi Lee Peng	3,938,200	1.01
10	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ooi Lee Peng)	3,071,500	0.79
11	Chong Tong Siew	2,753,700	0.71
12	Ng Chet Luk	1,803,000	0.46
13	Chu Beng Han	1,710,000	0.44
14	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ji Jock Wah)	1,636,300	0.42

Thirty Largest Shareholders
AS AT 29 AUGUST 2025

No.	Name of holders	No. of Shares	%
15	Chai Pin Koon	1,436,100	0.37
16	Tan Kok Seng	1,365,900	0.35
17	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ooi Lee Peng)	1,287,700	0.33
18	Tay Cheng Foo	1,205,300	0.31
19	HLIB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Yeo See Huey)	1,148,300	0.30
20	Tan Tiam Peng	1,065,800	0.27
21	Liu Chong Yew	990,000	0.26
22	IFAST Nominees (Tempatan) Sdn Bhd (Tan Tiam Peng)	900,000	0.23
23	Koh Chun Cheuk	850,000	0.22
24	Goh Kim Keong	800,000	0.21
25	Haw Wan Kiat	800,000	0.21
26	See Boon Seng	760,000	0.20
27	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Ooi Lee Peng)	719,800	0.19
28	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Piong Teck Yen)	700,000	0.18
29	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Piong Teck Yen)	691,300	0.18
30	Teng Chee Kang	687,800	0.18
Total		323,095,100	83.13



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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting of the Company will be convened and held at The Straits 345, Level 7, Grand Swiss-Belhotel Melaka, 146, Jalan Hang Tuah, 75300 Melaka, Malaysia on Friday, 31 October 2025 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 2025 together with the Reports of the Directors and the Auditors thereon.
2. To approve the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM766,000.00 only for the period from 1 November 2025 until the conclusion of the next Annual General Meeting ("**AGM**") of the Company, to be paid monthly in arrears.
3. To re-elect the following Directors who are retiring pursuant to Clause 76(3) of the Constitution of the Company: -

(i) Mr Lau Tee Tee @ Lau Kim Wah; and
(ii) Datuk Lee Chong Leng.
4. To re-elect Ms Chong See Ling who is retiring pursuant to Clause 78 of the Constitution of the Company.
5. To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Please refer to Note 8)

Ordinary Resolution 1

Ordinary Resolution 2
Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

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: 26 September 2025

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 22 October 2025 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.

To ensure the remuneration for the Independent Non-Executive Directors remains competitive and continue to attract, retain and motivate the individuals with strong credentials and high calibre to serve on the Board of the Company, the Board has approved the Remuneration Committee’s recommendation for a proposed 30% increase in Directors’ fees for the long-serving Independent Non-Executive Directors, namely Mr Philip Goh Teck Siang (from RM5,000 per month to RM6,500 per month) and Datuk Lee Chong Leng (from RM3,000 per month to RM4,000 per month) to reflect the increased dimensions in their roles and increased time commitments.

The Board undertook a review of the fees for Independent Non-Executive Directors as well as their capacities and competencies in their roles within the Board Committees. This review included benchmarking against selected companies of similar size within the same industry to ensure competitiveness.

This revision took into consideration the following:-

- The increasing demands and complexities of the Company’s operations, particularly in light of evolving regulatory, governance, and sustainability expectations;
- The commitment and contributions of the Independent Non-Executive Directors in providing oversight, strategic guidance, and risk management; and
- The fact that no review of their fees has been conducted over the past five (5) years since their appointments on 18 November 2019.

Both Mr Philip Goh Teck Siang and Datuk Lee Chong Leng have abstained from deliberations and decisions pertaining to their own remuneration.

The amount of Directors’ fees to each Director of the Company and its subsidiaries are as follows:-

<u>Directors</u>	<u>Amount (RM)</u>
HPP Holdings Berhad:-	
Mr Lau Tee Tee @ Lau Kim Wah	96,000.00
Mr Kok Hon Seng	96,000.00
Madam Ng Soh Hoon	96,000.00
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 and 4 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 2025.

The performance, contribution, effectiveness and independence (as the case may be) of the retiring Directors, namely Mr Lau Tee Tee @ Lau Kim Wah, Datuk Lee Chong Leng and Ms Chong See Ling (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) Ordinary Resolution 6 - Authority pursuant to Section 76 of the Act for the Directors to Allot and Issue Shares

The Company had, during its Sixth AGM held on 8 November 2024, 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.



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 Seventh Annual General Meeting of the Company to be convened and held at The Straits 345, Level 7, Grand Swiss-Belhotel Melaka, 146, Jalan Hang Tuah, 75300 Melaka, Malaysia on Friday, 31 October 2025 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 RM766,000.00 only for the period from 1 November 2025 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 Lau Tee Tee @ Lau Kim Wah as Director.	Ordinary Resolution 2		
3.	To re-elect Datuk Lee Chong Leng as Director.	Ordinary Resolution 3		
4.	To re-elect Ms Chong See Ling as Director.	Ordinary Resolution 4		
5.	To re-appoint BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	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.]

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Signature/Common Seal of Member/(s)

Number of shares held: _____

Date: _____

Fold this flap for sealing

- Notes:**
- 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.*
 - 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.*
 - 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.*
 - 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

first fold here

- 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.*
- 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 administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.*
- 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 22 October 2025 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 Seventh Annual General Meeting dated 26 September 2025.



www.hppholdings.com

HPP HOLDINGS BERHAD

REG.NO.201801043588(1305620D)

37, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka, Malaysia.

• Tel: 06-335 6485 • Fax: 06-335 1172 • Email: info@hppholdings.com • Website: www.hppholdings.com



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