

TAX POLICY

Hibiscus Petroleum Berhad and its subsidiaries (“the Group”) are committed to managing our tax affairs by complying in good faith with all applicable tax laws and regulations of the countries in which we operate, paying taxes in a responsible and efficient manner and maintaining cooperative working relationships with tax authorities.

Our Tax Policy (“Policy”) covers the following key areas – tax compliance, tax governance, control and risk management, tax planning, and relationships with tax authorities.

1. Objectives

The objectives of the Policy serve to:

- a. Ensure adoption of consistent practices throughout the Group in relation to managing our tax affairs; and
- b. Establish a framework to ensure compliance with applicable rules and regulations.

2. Scope and Applicability

Applies to all entities that are part of the Group (includes entities domiciled in Malaysia, Brunei, United Kingdom, Vietnam, Barbados, Netherlands and Australia) and to any other entities that are incorporated in the future.

3. Key Principles

The Group conducts its tax affairs based on the following key principles:

- a. Ensuring compliance with applicable tax laws and regulations, both in terms of the letter and the spirit of these laws and regulations;
- b. Developing and maintaining professional and cooperative relationships with tax authorities;
- c. Managing tax risks in line with the Group’s risk management framework, including embedding adequate monitoring and mitigating procedures whilst ensuring tax positions taken are well supported and defensible; and
- d. Seeking out and applying available tax benefits appropriately. Tax planning will be undertaken only where there are business operations with genuine commercial presence and economic substance.

4. Tax Compliance

The Group recognises its responsibilities in ensuring the rightful amount of taxes are paid in a timely basis in countries in which it operates.

Within the framework of this principle, the Group undertakes to:

- a. Adopt its tax positions on sound economic and business principles and best practices, and refrain from the use of abusive tax schemes and planning practices;
- b. Apply the “arm's length” principle in intra-group transactions, as required by the applicable tax laws and regulations;
- c. Disclose truthful and complete information in its dealings with tax authorities; and
- d. Strive for certainty, stability and predictability of tax implications on practices applied by the management in accordance with applicable tax laws and regulations and due collaboration with the tax authorities.

5. Tax Governance, Control and Risk Management

The management of tax-related risks is carried out via the implementation of policies, procedures and a system of internal control with clear definition of roles and responsibilities, key steps of processes, and reporting and monitoring routines to ensure compliance and exposure to tax-related risks are well managed. It also forms part of the Group's risk management framework.

In particular, the Group adopts the following approach towards its tax governance, control and risk management:

- a. Tax affairs are managed in an orderly and professional manner to ensure compliance with tax obligations and proper management of tax-related risks. Efficient internal procedures, systems and controls are applied to enable the operation of key tax-related processes;
- b. Active management, monitoring and mitigation of tax-related risks with a view to eliminating them and where the said risks are assumed (e.g. in cases involving uncertainty in respect of the application or interpretation of tax law), steps will be undertaken to defend the Group's legitimate interests as efficiently as possible by ensuring advice is sought from external advisors and comprehensive positions papers are prepared and maintained;
- c. The Group's tax department and personnel involved with the tax function are kept up to date on developments in the tax laws and practices through regular engagement with external tax advisors and regular attendance/participation in tax seminars, training, knowledge sharing sessions and tax-related events; and
- d. Ensuring the Group's tax department is equipped with sufficient knowledge and skill sets to support its commitments towards tax corporate governance.

The Group provides an avenue to report information relating to occurrences of known and/or suspected malpractices or wrongdoings, including reporting on any tax mismanagement. Whistle blowers can report concerns in writing to a designated email or in a sealed labelled envelope to the Chair of the Board of Directors (“Board”) or the Chair of the Audit and Risk Management Committee (“ARMC”) or a Senior Independent Director.

Depending on the degree of the risk and/or nature of the transaction involved, proposed actions/decisions will be referred to the Board and/or the ARMC for guidance and approval.

6. **Tax Planning**

The Group does not seek to evade tax nor engage in aggressive tax planning. The Group's transactions are driven by proper business purpose.

The Group applies the following principles in relation to tax planning:

- a. Manage tax costs and tax benefits in an efficient manner and apply available tax incentives and benefits appropriately, provided they are aligned with the relevant intended policy objectives and supported by genuine commercial activities;
- b. Ensure that tax planning is based on reasonable interpretation of applicable laws that are aligned with the Group's economic and commercial activities, and which would avoid any abusive or fraudulent outcomes. Where necessary, professional advice will be sought from external consultants to support positions taken;
- c. Refrain from using engineered business structures to conceal or reduce the transparency of its tax activities. Transactions and structures are driven by commercial considerations and aligned with business activities; and
- d. Avoid setting up a presence in tax havens, except where justifiable with sound business reasons and economic substance requirements are complied with. There is full transparency and cooperation with the relevant tax authorities to facilitate the disclosure of required information.

7. **Relationships with Tax Authorities**

The Group shall continue fostering relationships with the tax authorities grounded on principles of mutual trust, good faith, professionalism, transparency, cooperation and due collaboration, with the aim of ensuring compliance with applicable tax laws and regulations and to reduce tax disputes without compromising the Group's interests.

The Group adopts the following principles in relation to its relationship with tax authorities:

- a. Act in a timely manner, and be collaborative and courteous;
- b. Make fair, accurate and timely disclosures in correspondences and annual tax returns;
- c. Prioritises non-litigious means for disputes resolution when possible, but considers legal action to preserve/strengthen our position in seeking to achieve amicable agreements with the tax authorities whenever feasible; and
- d. Participates in discussions and contributes views on proposed changes to applicable tax laws and regulations which may impact the Group.

8. **Effective Date**

This Policy has been approved by the Board of Hibiscus Petroleum Berhad on 17 September 2025.