

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

Bursa Malaysia Securities Berhad [200301033577 (635998-W)] (“Bursa Securities”) takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement. Bursa Securities has not perused the contents of this Statement prior to its issuance as such contents are exempted from perusal pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.



**KUMPULAN H & L HIGH-TECH BERHAD**

[199401032123 (317805-V)]

(Incorporated in Malaysia)

**SHARE BUY-BACK STATEMENT  
IN RELATION TO THE  
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY  
TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%)  
OF THE TOTAL NUMBER OF ISSUED SHARES  
OF THE COMPANY**

The above proposal will be tabled as Special Business at Kumpulan H & L High-Tech Berhad’s Twenty-Sixth Annual General Meeting (“AGM”) which will be held at Green III, Club House, Tropicana Golf and Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on 28 April 2021 at 11:00 a.m. The notice of the Twenty-Sixth AGM and the Form of Proxy are set out in the 2020 Annual Report despatched together with this Statement.

A member entitled to attend and vote at the Twenty-Sixth AGM is entitled to appoint a proxy or proxies to vote on his/her behalf. In such event, the Proxy Form should be completed and deposited at the office of the Share Registrar of the Company situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time for holding the Twenty-Sixth AGM or adjourned meeting at which the person named in the instrument proposes to vote. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy:

26 April 2021 at 11:00 am

Date and time of AGM:

28 April 2021 at 11.00 am

**THIS STATEMENT IS DATED 30 MARCH 2021**

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Statement:

“Act”	: Companies Act 2016 as may be amended, modified or re-enacted from time to time
“AGM”	: Annual General Meeting
“Board”	: Board of Directors of H&L
“Bursa Securities”	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Code”	: Malaysian Code on Take-overs and Mergers 2016 including the Rules or any guidelines, directions, practice notes as issued or amended from time to time
“Directors”	: A natural person who holds a directorship in H&L and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act, 2007
“EPS”	: Earnings per share
“H&L” or “Company”	: Kumpulan H & L High-Tech Berhad [199401032123 (317805-V)]
“H&L Group” or “Group”	: H&L and its subsidiary companies collectively
“H&L Share(s)” or “Shares”	: Ordinary share(s) in H&L
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
“LPD”	: 15 March 2021, being the latest practicable date prior to the printing of this Statement
“Market Day”	: Any day from Mondays to Fridays (both inclusive) which Bursa Securities is open for the trading of securities
“Proposed Renewal of Share Buy-Back Authority”	: Proposed renewal of the authority for the Company to purchase its own shares of up to ten percent (10%) of the total number of issued shares of the Company
“Purchased Shares”	: Share(s) purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Statement”	: This statement to shareholders dated 30 March 2021 in relation to the Proposed Renewal of Share Buy-Back Authority
“Treasury Shares”	: Has the meaning given under Section 127(4) of the Act

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**DEFINITIONS (Continued)**

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All references to “H&L” or “our Company” in this Statement are to Kumpulan H & L High-Tech Berhad, reference to “H&L Group” or “Group” are to the Company and its subsidiaries and references to “we”, “us”, “our” and “ourselves” are to our Company, and where the context otherwise requires, shall include our subsidiaries.

All references to “you” in this Statement are to the shareholders of the Company.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to a time of day in this Statement is a reference to Malaysian time, unless otherwise stated.

Any reference in this Statement to any legislation is a reference to that legislation as for the time being amended or re-enacted.

Certain figures in this Statement have been subject to rounding adjustments.

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## KUMPULAN H & L HIGH-TECH BERHAD

[199401032123 (317805-V)]

(Incorporated in Malaysia)

### Registered Office

Unit 30-01, Level 30, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No 8, Jalan Kerinchi,  
59200 Kuala Lumpur

30 March 2021

### BOARD OF DIRECTORS

Tan Lye Huat (Executive Chairman and Managing Director)  
Tan Sook Yee (Executive Director)  
Chu Kan (Independent Non-Executive Director)  
Hau Hock Khun (Independent Non-Executive Director)  
Rita Tai Lai Ling (Independent Non-Executive Director)  
Lim Hock Aun (Independent Non-Executive Director)

### To: Our Shareholders

Dear Sir/Madam,

### PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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#### 1.0 INTRODUCTION

At the Twenty-Fifth AGM held on 28 July 2020, the Company had obtained the approval from the shareholders to renew the authority for the Company to purchase its own shares of up to ten percent (10%) of the total number of issued shares of the Company at any point of time. The said approval will expire at the conclusion of the forthcoming Twenty-Sixth AGM of the Company scheduled to be held on 28 April 2021.

The Board of Directors of the Company had on 27 January 2021 announced the Company's intention to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back Authority by way of an Ordinary Resolution at the forthcoming Twenty-Sixth AGM of the Company.

**The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority as well as to set out the recommendation of our Board and to seek your approval for the Ordinary Resolution to be tabled at the forthcoming AGM. The notice of AGM and the Proxy Form are set out in the Company's Annual Report 2020. You are advised to read the contents of this Statement carefully before voting on the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority.**

## **2.0 DETAILS ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Board is proposing to seek the shareholders' approval for the renewal of authority for the Company to purchase its own shares of up to ten percent (10%) of the total number of issued shares, subject to compliance with the Act, the Listing Requirements and any prevailing laws, guidelines, rules and regulations issued by the relevant authorities at the time of purchase.

The Proposed Renewal of Share Buy-Back Authority will be carried out through Bursa Securities via H&L's appointed stockbrokers.

### **2.1 QUANTUM**

The maximum aggregate number of Shares which may be purchased by our Company shall not exceed 10% of our total number of issued shares at any point in time.

As at LPD, the total number of issued shares of the Company is 40,612,085 H&L Shares, hence, the maximum number of shares that may be purchased by the Company is up to 4,061,208 H&L Shares, inclusive of 3,115,160 H&L Shares that was bought back by the Company and retained as treasury shares.

The actual number of Shares to be purchased and the timing of such purchases will depend on, among others, market conditions and sentiments, as well as the retained profits and financial resources available to our Company at the time of the purchase(s).

### **2.2 FUNDING**

The Proposed Renewal of Share Buy-Back Authority will be funded through internally generated funds and/or bank borrowings, the breakdown of which will be determined later depending on the actual number of Shares purchased, the purchase price(s) and other relevant cost at the time of purchase(s), and availability of funds. Should the purchase of H&L Shares be financed through bank borrowings, the Board will ensure that there are sufficient funds to repay such borrowings and that the repayment will not have any material adverse effect on the cash flow of H&L Group.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate amount of the retained earnings of the Company. Based on the Company's latest audited financial statements as at 31 October 2020, the retained earnings of the Company were RM2.523 million.

### **2.3 DURATION**

The approval from the shareholders for the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the Ordinary Resolution for the Proposed Renewal of Share Buy-Back Authority at the forthcoming Twenty-Sixth AGM and shall be valid until:

- (i) the conclusion of the next AGM of the Company at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions;
- (ii) the expiry of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but shall not prejudice the completion of any purchase(s) by the Company before the aforesaid expiry date and in any event in accordance with the provision of the Act, the Listing Requirements and other prevailing laws, guidelines, rules and regulations issued by the relevant authorities.

## **2.4 TREATMENT OF PURCHASED SHARES**

In accordance with Section 127(4) of the Act, the Company would be able to deal with any H&L Shares so purchased by the Company in the following manner:

- (i) to cancel the Purchased Shares; or
- (ii) to retain the Purchased Shares as treasury shares; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder.

The Purchased Shares held as treasury shares may be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities or transfer for the purposes of or under an employees' share scheme or as purchase consideration or such other purposes in accordance with Section 127(7) of the Act.

In considering how the Purchased Shares will be dealt with, the Directors will take into consideration the effect of such treatment to the H&L Group in arriving at its decision. In addition, an immediate announcement will be made to Bursa Securities upon each purchase, cancellation and or resell of shares pursuant to the share buy-back.

## **2.5 PRICING**

Pursuant to the Listing Requirements, the purchase price of H&L Shares cannot be more than fifteen percent (15%) above the weighted average market price of H&L Shares for the five (5) Market Days immediately preceding the date of the purchase. In the case of a resale of the treasury shares on Bursa Securities, the Company may only resell any treasury shares at a price, which is:

- (i) not less than the weighted average market price of H&L Shares for the five (5) Market Days immediately prior to the date of the resale or transfer; or
- (ii) a discounted price of not more than five percent (5%) to the weighted average market price for H&L Shares for the five (5) Market Days immediately prior to the date of the resale or transfer, provided that:
  - (a) the resale or transfer takes place not earlier than thirty (30) days from the date of the purchase; and
  - (b) the resale or transfer price is not less than the cost of purchase of H&L Shares being resold or transferred.

## **2.6 PUBLIC SHAREHOLDING SPREAD**

The Proposed Renewal of Share Buy-Back Authority shall be carried out in compliance with Paragraph 8.02(1) of the Listing Requirements which requires at least 25% of the total number of issued shares (excluding treasury shares) of the Company to be in the hands of public shareholders.

In this regard, the Company will endeavour to ensure that any share buy-back exercise will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed company must not purchase its own shares on Bursa Securities if that purchase will result in the listed company being in breach of Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the public shareholding spread of the Company is 34.4%.

### **3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Proposed Renewal of Share Buy-Back Authority will enable H&L to utilise its surplus financial resources to purchase the H&L Shares as and when the Board deems fit in the interest of its shareholders during the tenure the authority granted is in effect. The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable the Company to stabilise the supply and demand of H&L Shares on the Bursa Securities and thereby support the Company's fundamental value.

If the Purchased Shares are maintained as treasury shares or cancelled, it will result in a lower number of Shares being used for the purposes of computing our EPS. Therefore, other things being equal, it will improve the EPS of our Group.

Should any treasury shares be distributed as share dividends, this would serve to reward our shareholders. H&L may have the opportunities for potential gains if the purchased H&L Shares which are retained as treasury shares are resold at prices higher than their purchase price.

### **4.0 POTENTIAL ADVANTAGES AND DISADVANTAGES**

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:

- (i) Allow the Company to take preventive measures against speculation, particularly when the Shares are undervalued and this would, in turn, stabilise the market price of H&L Shares and hence, enhance investors' confidence;
- (ii) Allow the Company the flexibility to achieve the desired capital structure, in terms of debt and equity composition and size of equity;
- (iii) Provide the Company with opportunities for potential gains if the Purchased Shares which are retained as treasury shares, are resold at a higher price than they were bought for; and
- (iv) Serve to reward the shareholders of the Company if the Purchased Shares which are retained as treasury shares, are distributed as share dividends to the shareholders.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:

- (i) Reduce the financial resources of the Company, which may result in the Company foregoing better investment opportunities that may emerge in the future; and
- (ii) Reduce the financial resources available for distribution to shareholders in the immediate future as the funds to be allocated for the Proposed Renewal of Share Buy-Back Authority can only be made out of retained earnings of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to cause any potential material disadvantage to our Company or our shareholders as our Directors will only implement it after due consideration of the financial resources of our Group and the resultant impact to our shareholders.



## 5.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK

The effects of the Proposed Renewal of Share Buy-Back Authority are set out below:-

### 5.1 SHARE CAPITAL

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of H&L will depend on whether the Purchased Shares are cancelled or retained as treasury shares. If the Purchased Shares are held as Treasury Shares, resold or distributed to shareholders, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the issued share capital of the Company. The Proposed Renewal of Share Buy-Back Authority will however, result in the reduction of the issued share capital of the Company if the Purchased Shares are cancelled.

For illustration purposes, the pro forma effects of Proposed Renewal of Share Buy-Back Authority on the issued share capital of our Company as at LPD assuming the maximum number of Shares authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, are set out below:

	<b>No of Shares</b>
Total number of issued shares as at the LPD*	40,612,085
Less: Maximum number of Shares that may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	<u>(4,061,208)</u>
Resultant total number of issued shares	<u>36,550,877</u>

\* inclusive of 3,115,160 Shares bought back and retained as treasury shares by the Company as at LPD

### 5.2 NET ASSETS AND WORKING CAPITAL

The effects of the Proposed Renewal of Share Buy-Back Authority on the Net Assets of our Group, whether the Purchased Shares are cancelled or retained as treasury shares are as follows:

#### **(i) Purchased Shares are subsequently retained as treasury shares**

The Net Assets of our Group would decrease if the Purchased Shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the Net Assets of our Group by the cost of the treasury shares.

If the Purchased Shares are resold on Bursa Securities, the Net Assets of our Group would increase if our Company realises a gain from the resale, and vice-versa. If the Purchased Shares were distributed as share dividends, the Net Assets of our Group will decrease by the cost of the treasury shares.

#### **(ii) Purchased Shares are subsequently cancelled**

If the Purchased Shares are cancelled, the Proposed Renewal of Share Buy- Back Authority will reduce the Net Assets per Share if the purchase price per Share exceeds the Net Assets per Share at the relevant point in time, and vice-versa.

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of our Group, the quantum of which will depend on, amongst others, the purchase price(s) of H&L Shares and the number of Purchased Shares. The Proposed Renewal of Share Buy-Back Authority will affect the cash flow of the Group if it is wholly financed by internally generated funds and result in a lower amount of cash reserves available for dividends to be declared to shareholders as funds are utilised to purchase shares. The working capital and cash flow of our Group will increase upon reselling the H&L Shares purchased which are retained as treasury shares. Again, the quantum of the increase in the working capital and cash flow will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

### 5.3 GEARING

Assuming that the treasury shares are being retained by our Company and no borrowing is being used to fund any purchase of the Purchased Shares, the Proposed Renewal of Share Buy-Back Authority may increase the gearing of our Group as the Purchased Shares will reduce the equity by the cost of Shares acquired and held as treasury shares.

### 5.4 EARNINGS AND EPS

Depending on the number of Shares purchased, the prices paid for such Shares, the effective funding cost to our Company to finance the purchase of such Shares, if any, or any loss in interest income to our Company, the Proposed Renewal of Share Buy-Back Authority may increase or reduce the EPS of our Group. Nevertheless, all things being equal, assuming that the treasury shares are retained by our Company, the Proposed Renewal of Share Buy-Back Authority is expected to increase the EPS of our Group as the treasury shares held by our Company will not be taken into account in calculating the total number of Shares in issue.

If the Purchased Shares are cancelled, the number of Shares applied in the computation of EPS will reduce and accordingly, all things being equal, the Proposed Renewal of Share Buy-Back Authority will increase the EPS of our Group. If the Purchased Shares are resold, the extent of the impact to the EPS of our Group will depend on the actual selling price, the number of treasury shares resold and the effective gain on resale and any funding cost arising from the Proposed Renewal of Share Buy-Back Authority.

### 5.5 DIVIDENDS

The Proposed Renewal of Share Buy-Back Authority, if carried out, is not expected to have any material impact on the recommendation of dividends to our Shareholders by our Board. Nonetheless, if the H&L Shares so purchased are retained as treasury shares, the treasury shares may be distributed as dividends to our shareholders if the Company so decides.

### 6.0 SHAREHOLDINGS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

If the Proposed Renewal of Share Buy-Back Authority is implemented in full, and there is no change in the number of shares held by the Substantial Shareholders and/or Directors of H&L as at LPD, the effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Substantial Shareholders and/or Directors based on the Register of Substantial Shareholders and the Register of Directors' Shareholdings respectively as at LPD are as follows:

#### Substantial Shareholders' shareholdings

Substantial Shareholders	Before the Proposed Share Buy-Back and Taking Into Account the Treasury Shares				After the Proposed Share Buy-Back @			
	Direct		Indirect		Direct		Indirect	
	No. of shares	% of share capital	No. of shares	% of share capital	No. of shares	% of share capital	No. of shares	% of share capital
Affluent Future Sdn Bhd	11,480,001	30.6	-	-	11,480,001	31.4	-	-
Tan Lye Huat Holdings Sdn Bhd	5,396,245	14.4	-	-	5,396,245	14.8	-	-
Tan Lye Huat	1,739,272	4.6	19,952,608	53.2 <sup>1</sup>	1,739,272	4.8	19,952,608	54.6 <sup>1</sup>
Tan Sook Yee	804,756	2.1	16,876,246	45.0 <sup>2</sup>	804,756	2.2	16,876,246	46.2 <sup>2</sup>

## Directors' shareholdings

Directors	Before the Proposed Share Buy-Back and Taking Into Account the Treasury Shares				After the Proposed Share Buy-Back @			
	Direct		Indirect		Direct		Indirect	
	No. of shares	% of share capital	No. of shares	% of share capital	No. of shares	% of share capital	No. of shares	% of share capital
Tan Lye Huat	1,739,272	4.6	19,952,608	53.2 <sup>1</sup>	1,739,272	4.8	19,952,608	54.6 <sup>1</sup>
Tan Sook Yee	804,756	2.1	16,876,246	45.0 <sup>2</sup>	804,756	2.2	16,876,246	46.2 <sup>2</sup>
Chu Kan	-	-	-	-	-	-	-	-
Lim Hock Aun	-	-	-	-	-	-	-	-
Rita Tai Lai Ling	-	-	-	-	-	-	-	-
Hau Hock Khun	-	-	-	-	-	-	-	-

### Notes:

@ On the assumption that the Company purchase the maximum 4,061,208 H&L Shares, representing ten per centum (10%) of its issued and paid-up share capital

- 1 Deemed interested by virtue of his shareholdings in Affluent Future Sdn Bhd and Tan Lye Huat Holdings Sdn Bhd, and his children Tan Yaw Bin, Tan Yaw Tung, Tan Fung Ying and Tan Sook Yee's shareholdings
- 2 Deemed interested by virtue of her shareholdings in Affluent Future Sdn Bhd and Tan Lye Huat Holdings Sdn Bhd

## 7.0 PURCHASES, RESALE AND CANCELLATION OF H&L SHARES MADE IN THE PREVIOUS 12 MONTHS

During the previous twelve (12) months and up to the LPD, details of the resale of H&L Shares by the Company were as follows:

Date of resale	No of shares sold	Minimum resale price per share (RM)	Maximum resale price per share (RM)	Average resale price per share (RM)	Total consideration received for resale shares (RM)
January 2021					
19 January	19,100	2.10	2.16	2.13	40,608.45
20 January	3,000	2.07	2.20	2.14	6,418.66
29 January	50,300	1.95	1.98	1.94	97,527.45
February 2021					
5 February	700,000	2.07	2.43	2.21	1,548,696.02
8 February	58,000	2.70	2.82	2.73	158,250.81
15 February	64,000	2.58	2.64	2.60	166,445.15
16 February	26,000	2.55	2.61	2.59	67,310.25

As at LPD, there was no purchases, transfer or cancellation of treasury shares made by the Company in the past twelve (12) months.

As at LPD, the Company held 3,115,160 H&L Shares as treasury shares.

## **8.0 IMPLICATIONS RELATING TO THE CODE**

In the event that the Company acquires the full amount of H&L Shares authorized under the Proposed Renewal of Share Buy-Back Authority and all the H&L Shares so acquired are held as treasury shares or cancelled, the equity interest of the respective Substantial Shareholders as at LPD will increase as disclosed in Section 6.0 of this Statement. The Board does not anticipate any implication relating to the Code even if the allowed maximum number of shares is purchased pursuant to the authority granted under the Proposed Renewal of Share Buy-Back Authority.

## **9.0 HISTORICAL SHARE PRICES**

The monthly high and low prices of our Shares as traded on Bursa Securities for the past 12 months from March 2020 to February 2021 are as follows:

	<b>High RM</b>	<b>Low RM</b>
<b>2020</b>		
March	1.13	0.90
April	1.00	0.895
May	1.00	0.92
June	0.93	0.92
July	0.95	0.89
August	0.95	0.92
September	0.95	0.90
October	1.00	0.93
November	1.10	0.88
December	1.62	1.03
<b>2021</b>		
January	2.30	1.17
February	2.82	1.66
Last transacted price of our Shares on Bursa Securities on LPD	1.74	

*(Source: Excel Force MSC Berhad, an authorised information vendor)*

## **10.0 APPROVALS REQUIRED FOR PROPOSED RENEWAL OF SHARE BUY-BACK**

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of the shareholders of H&L at the forthcoming Twenty-Sixth AGM of H&L.

## **11.0 INTERESTS OF OUR DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and major shareholders of our Company as a result of the implementation of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and major shareholders of our Company and/or persons connected to them, as defined in the Listing Requirements, has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

## **12.0 DIRECTORS' RECOMMENDATION**

The Board of Directors of H&L has considered all aspects of the Proposed Renewal of Share Buy-Back Authority and is of the opinion that they are in the best interest of our Company and our shareholders and accordingly the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming Twenty-Sixth AGM.

### **13.0 AGM**

The Twenty-Sixth AGM, the notice of which is enclosed in the 2020 Annual Report of H&L, will be held at Green III, Club House, Tropicana Golf and Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on 28 April 2021 at 11:00 a.m. for the purpose of considering and if thought fit, passing, inter alia, the Ordinary Resolution on the Proposed Renewal of Share Buy-Back Authority under the agenda of Special Business as set out in the Annual Report 2020 of the Company.

You will also find in the Annual Report 2020 of H&L a copy of the Form of Proxy. If you are unable to attend and vote in person at the Twenty-Sixth AGM, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed therein as soon as possible and in any event, so as to arrive at the office of the Company's Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia, at least forty-eight (48) hours before the time set for the Twenty-Sixth AGM. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the Twenty-Sixth AGM should you subsequently wish to do so.

### **14.0 FURTHER INFORMATION**

You are advised to refer to the enclosed appendix for further information.

Yours faithfully  
For and on behalf of the Board of  
**KUMPULAN H&L HIGH-TECH BERHAD**

**TAN LYE HUAT**  
Executive Chairman and Managing Director

## **APPENDIX I**

### **FURTHER INFORMATION**

#### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Board and they individually and collectively accept full responsibility for the accuracy of the information given in this Statement and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading. Having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, the Board is of the opinion that the Proposed Renewal of Share Buy-Back Authority is fair, reasonable and in the best interest of the Company.

#### **2. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur during normal business hours from 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except public holidays) from the date of this Statement up to and including the date of our forthcoming AGM:

- (i) Constitution of our Company; and
- (ii) audited consolidated financial statements of our Company for the past 2 financial years ended 31 October 2019 and 31 October 2020 respectively.

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