

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.

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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**

The above proposal will be tabled as Special Business at Kumpulan H & L High-Tech Berhad's Twenty-Eighth Annual General Meeting ("AGM") which will be held at ClubHouse, Tropicana Golf and Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on 18 April 2023 at 11:00 a.m. The notice of the Twenty-Eighth AGM and the Form of Proxy are set out in the 2022 Annual Report despatched together with this Statement.

A member entitled to attend and vote at the Twenty-Eighth 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-Eighth 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:

16 April 2023 at 11:00 am

Date and time of AGM:

18 April 2023 at 11.00 am

THIS STATEMENT IS DATED 28 FEBRUARY 2023

DEFINITIONS

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 On Take-Overs, Mergers And Compulsory Acquisitions 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”	: 31 January 2023, 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”	: 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
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Statement”	: This statement to shareholders dated 28 February 2023 in relation to the Proposed Renewal of Share Buy-Back
“Treasury Shares”	: Has the meaning given under Section 127(4) of the Act

DEFINITIONS (Continued)

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

28 February 2023

BOARD OF DIRECTORS

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

To: Our Shareholders

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK

1.0 INTRODUCTION

At the Twenty-Seventh AGM held on 8 April 2022, 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-Eighth AGM of the Company scheduled to be held on 18 April 2023.

The Board of Directors of the Company had on 20 February 2023 announced the Company's intention to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back by way of an Ordinary Resolution at the forthcoming Twenty-Eighth AGM of the Company.

The purpose of this Statement is to provide you with the details of the Proposed Renewal of Share Buy-Back 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 2022. 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.

2.0 DETAILS ON THE PROPOSED RENEWAL OF SHARE BUY-BACK

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 approval from the shareholders for the Proposed Renewal of Share Buy-Back does not impose an obligation on the Company to purchase its own Shares but rather it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the approved time period.

The Proposed Renewal of Share Buy-Back 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 121,836,255 H&L Shares, hence, the maximum number of shares that may be purchased by the Company is up to 12,183,625 H&L Shares, inclusive of 2,332,380 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 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 flows of H&L Group.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back 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 2022, the retained earnings of the Company were RM10,302,965.

2.3 DURATION

The approval from the shareholders for the Proposed Renewal of Share Buy-Back would be effective immediately upon the passing of the Ordinary Resolution for the Proposed Renewal of Share Buy-Back at the forthcoming Twenty-Eighth 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 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 43.75%. Assuming that the Proposed Renewal of Share Buy-Back is carried out to a maximum of 12,183,625 Shares and held as treasury shares, the public shareholding of the Company would potentially be reduced to 38.70%.

3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK

The Proposed Renewal of Share Buy-Back 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, 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 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 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 can only be made out of retained earnings of the Company.

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

5.1 SHARE CAPITAL

The effect of the Proposed Renewal of Share Buy-Back 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 will not have any effect on the issued share capital of the Company. The Proposed Renewal of Share Buy-Back 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 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 are purchased and cancelled, are set out below:

	No of Shares
Total number of issued shares as at the LPD*	121,836,255
Less: Maximum number of Shares that may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back	(12,183,625)
Resultant total number of issued shares	<u>109,652,630</u>

* inclusive of 2,332,380 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 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 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, 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 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 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 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 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 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.

5.5 DIVIDENDS

The Proposed Renewal of Share Buy-Back, 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 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 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	34,440,003	28.82	-	-	34,440,003	31.41	-	-
Tan Lye Huat Holdings Sdn Bhd	16,188,735	13.55	-	-	16,188,735	14.76	-	-
Tan Lye Huat	2,452,416	2.05	59,597,824	49.87 ¹	2,452,416	2.24	59,597,824	54.35 ¹
Tan Sook Yee	2,304,268	1.93	50,628,738	42.37 ²	2,304,268	2.10	50,628,738	46.17 ²

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	2,452,416	2.05	59,597,824	49.87 ¹	2,452,416	2.24	59,597,824	54.35 ¹
Tan Sook Yee	2,304,268	1.93	50,628,738	42.37 ²	2,304,268	2.10	50,628,738	46.17 ²
Yoon Hin Yeow	-	-	-	-	-	-	-	-
Lim Hock Aun	-	-	-	-	-	-	-	-
Rita Tai Lai Ling	-	-	-	-	-	-	-	-
Hau Hock Khun	-	-	-	-	-	-	-	-

Notes:

[@] On the assumption that the Company purchase the maximum 12,183,625 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 (34,440,003 Shares) and Tan Lye Huat Holdings Sdn Bhd (16,188,735 Shares), and his children's shareholdings (8,969,086 Shares)

² Deemed interested by virtue of her shareholdings in Affluent Future Sdn Bhd (34,440,003 Shares) and Tan Lye Huat Holdings Sdn Bhd (16,188,735 Shares).

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 purchases of H&L Shares by the Company were as follows:

Date	No of shares purchased	Minimum price per share (RM)	Maximum price per share (RM)	Average price per share (RM)	Total consideration paid (RM)
March 2022					
9 March	90,000	0.875	0.910	0.904	81,344.00
May 2022					
12 May	150,000	0.960	0.970	0.971	145,606.20
19 May	150,000	0.960	0.970	0.973	49,609.11
20 May	51,000	0.950	0.960	0.963	77,052.17
25 May	60,700	0.955	0.970	0.973	59,087.87
27 May	73,600	0.940	0.960	0.965	71,037.57
June 2022					
1 June	150,000	0.900	0.930	0.921	138,105.57
9 June	75,600	0.900	0.910	0.917	69,306.75
10 June	63,400	0.895	0.910	0.913	57,876.30
14 June	115,500	0.855	0.880	0.868	100,198.87
17 June	152,000	0.840	0.855	0.849	129,099.50
24 June	45,300	0.850	0.860	0.859	38,924.77
July 2022					
7 July	85,500	0.815	0.820	0.826	70,582.71
8 July	65,900	0.820	0.825	0.828	54,587.23
14 July	35,600	0.830	0.855	0.849	30,217.90
18 July	70,500	0.840	0.860	0.864	60,902.21
19 July	56,000	0.840	0.860	0.847	47,448.61
August 2022					
10 August	28,100	0.930	0.940	0.943	26,486.57
September 2022					
2 September	54,800	1.000	1.020	1.014	55,545.90
5 September	100,500	1.000	1.010	1.013	101,781.21
21 September	66,700	0.990	0.995	1.000	66,724.10
27 September	43,000	0.980	0.985	0.990	42,584.60
28 September	71,200	0.975	0.985	0.989	70,404.11
30 September	45,000	0.945	0.960	0.954	42,939.92
October 2022					
7 October	63,000	0.920	0.930	0.932	58,733.65
11 October	38,700	0.895	0.910	0.905	35,019.41
17 October	60,900	0.860	0.870	0.873	53,149.75
25 October	24,100	0.880	0.900	0.899	21,657.38
December 2022					
23 December	97,200	0.910	0.925	0.923	89,731.42
January 2023					
3 January	65,600	0.890	0.900	0.905	59,395.28

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

As at LPD, the Company held 2,332,380 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 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.

Pursuant to Paragraph 4.01 of the Code which states that if a person, together with persons acting in concert ("PAC") with him (if any), holding more than thirty-three percent (33%) but less than fifty percent (50%) of the voting Shares of a Company, who as a result of a purchase by the Company of its own voting Shares, increases his holding in any period of six (6) months by additional two percent (2%) or more of the voting Shares or voting rights of the Company, there is an obligation to extend a mandatory take-over offer to acquire the remaining Shares not already held by the said person and the PAC with him.

In the event the Proposed Share Buy-Back results in any substantial shareholder and/or PAC with the substantial shareholder triggering the mandatory offer obligation for the remaining Shares not already held by them under Paragraph 4.01 of the Code, the affected substantial shareholders and PAC may apply for an exemption from a mandatory offer obligation for the remaining Shares not already held by them from the Securities Commission Malaysia under Paragraph 4.15 of the Code before the said obligation is triggered.

The Board is mindful of the requirements of the Code and does not intend to undertake the Proposed Renewal of Share Buy-Back in a manner that will trigger the obligation by any of the Company's substantial shareholders and/or PAC with them to undertake a mandatory offer under the Code. In this regard, the Board will ensure that such number of Shares so purchased, retained as treasury shares, cancelled or distributed, would not result in triggering any mandatory offer obligation on the part of its substantial shareholders and/or PAC with them.

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 2022 to January 2023 are as follows:

	High RM	Low RM
2022		
February	1.300	0.990
March	1.200	0.835
April	1.170	0.980
May	1.020	0.920
June	0.930	0.818
July	0.940	0.810
August	1.280	0.900
September	1.140	0.935
October	0.980	0.840
November	0.990	0.865
December	0.985	0.880
2023		
January	1.190	0.88
Last transacted price of our Shares on Bursa Securities on LPD	1.15	

(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 is subject to the approval of the shareholders of H&L at the forthcoming Twenty-Eighth 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, 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.

12.0 DIRECTORS' RECOMMENDATION

The Board of Directors of H&L has considered all aspects of the Proposed Renewal of Share Buy-Back 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 to be tabled at the forthcoming Twenty-Eighth AGM.

13.0 AGM

The Twenty-Eighth AGM, the notice of which is enclosed in the Annual Report 2022 of H&L, will be held at ClubHouse, Tropicana Golf and Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on 18 April 2023 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 under the agenda of Special Business as set out in the Annual Report 2022 of the Company.

You will also find in the Annual Report 2022 of H&L a copy of the Form of Proxy. If you are unable to attend and vote in person at the Twenty-Eighth 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-Eighth AGM. The lodgement of the Form of Proxy will not preclude you from attending and voting in person at the Twenty-Eighth 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, the Board is of the opinion that the Proposed Renewal of Share Buy-Back is fair, reasonable and in the best interest of the Company.

2. MATERIAL CONTRACT

The Company has not entered into any contract which is or may be material other than contracts entered into in the ordinary course of business during the two (2) years preceding the date of this Statement:

3. 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 8:30 a.m. to 5:30 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;
- (ii) Audited consolidated financial statements of our Company for the past 2 financial years ended 31 October 2021 and 31 October 2022 respectively.

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