



KUMPULAN H & L HIGH-TECH BERHAD

[199401032123 (317805-V)]

FROM STRENGTH TO STRENGTH

2024 ANNUAL REPORT

30TH ANNUAL GENERAL MEETING

25 April 2025 (Friday) - 11.00 a.m.

ClubHouse, Tropicana Golf and Country Resort
Jalan Kelab Tropicana, 47410 Petaling Jaya
Selangor Darul Ehsan

TABLE OF CONTENTS

Corporate Overview

- 2 Corporate Information
- 3 Corporate Structure
- 4 Profile of the Board of Directors and Key Senior Management

Business Review

- 7 Five Years' Financial Highlights
- 8 Management Discussion and Analysis
- 11 Sustainability Statement

Corporate Governance

- 33 Corporate Governance Overview Statement
- 44 Audit and Risk Management Committee Report
- 46 Statement on Risk Management and Internal Control
- 48 Additional Compliance Information

Report & Financial Statements

- 50 Directors' Report
- 55 Statement by Directors
- 55 Statutory Declaration
- 56 Independent Auditors' Report
- 60 Statements of Financial Position
- 62 Statements of Profit or Loss and Other Comprehensive Income
- 63 Statements of Changes in Equity
- 64 Statements on Cash Flows
- 67 Notes to the Financial Statements

Other Information

- 111 Analysis of Shareholdings
- 113 List of Properties
- 115 Notice of Annual General Meeting
- Enc. Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Lye Huat

*Group Executive Chairman
& Managing Director*

Tan Sook Yee

Executive Director

Lim Hock Aun

Independent Non-Executive Director

Yoon Hin Yeow

Independent Non-Executive Director

Thong Chee Thim

Independent Non-Executive Director

Mak Wai Chin

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Lim Hock Aun (Chairman)

Independent Non-Executive Director

Yoon Hin Yeow (Member)

Independent Non-Executive Director

Thong Chee Thim (Member)

Independent Non-Executive Director

Mak Wai Chin (Member)

Independent Non-Executive Director

REMUNERATION COMMITTEE

Thong Chee Thim (Chairman)

Independent Non-Executive Director

Yoon Hin Yeow (Member)

Independent Non-Executive Director

Lim Hock Aun (Member)

Independent Non-Executive Director

Mak Wai Chin (Member)

Independent Non-Executive Director

NOMINATION COMMITTEE

Yoon Hin Yeow (Chairman)

Independent Non-Executive Director

Thong Chee Thim (Member)

Independent Non-Executive Director

Lim Hock Aun (Member)

Independent Non-Executive Director

Mak Wai Chin (Member)

Independent Non-Executive Director

COMPANY SECRETARIES

Khoo Ming Siang

*[SSM PC No. 202208000150
(MAICSA 7034037)]*

Chong Kong Hui

*[SSM PC No. 201908003105
(MIA 25067)]*

REGISTERED OFFICE

Unit 521, 5th Floor
Lobby 6, Block A, Damansara Intan
No. 1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 7732 0792

PRINCIPAL PLACE OF BUSINESS

No. 6, Jalan TSB 1
Taman Industri Sungai Buloh
47000 Sungai Buloh
Selangor Darul Ehsan
Tel : (03) 6157 6339
Fax : (03) 6156 8918
Email : info@hlhightech.com
Website : www.hlhightech.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 7890 4700
Fax : (03) 7890 4670

AUDITORS

Grant Thornton Malaysia PLT

Chartered Accountants

PRINCIPAL BANKERS

Hong Leong Bank Berhad
CIMB Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad

Stock Name : HIGHTEC
Stock Code : 7033

INVESTOR RELATIONS

www.insage.com.my/ir/HIGHTEC

CORPORATE STRUCTURE



KUMPULAN H & L HIGH-TECH BERHAD

Investment Holdings



H & L HIGH-TECH SDN BHD

Manufacture and sale of precision engineering moulds, jigs, fixtures, tools and other machine parts



PLASTIK STC SDN BHD

Manufacture and sale of customised precision engineering plastic injection moulded thermoplastic and thermosett parts and components for electrical and electronic industry



H & L HIGH-TECH DECO SDN BHD

Oil palm cultivation



H & L HIGH-TECH PROPERTIES DEVELOPMENT SDN BHD

Property development



HLH DESA COALFIELDS SDN BHD

Dormant



H & L HIGH-TECH PROPERTIES SDN BHD

Letting of properties and property investment



STC TECHNOLOGY SDN BHD

Dormant

PROFILE OF THE BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT

TAN LYE HUAT

Group Executive Chairman and Managing Director

• *Key Senior Management*

Tan Lye Huat (“Mr Tan”), Malaysian, Male, aged 71, was appointed as Group Executive Chairman and Managing Director of Kumpulan H & L High-Tech Berhad (“KHLHT” or “the Company” or “the Group”) on 2 September 1997. Mr Tan is also one of the Key Senior Management and he is a businessman by profession and the founder of H & L High-Tech Sdn Bhd (“HHT”), Plastik STC Sdn Bhd (“PSSB”), H & L High-Tech Deco Sdn Bhd (“HHTD”), H & L High-Tech Properties Sdn Bhd (“HHTP”) and H & L High-Tech Properties Development Sdn Bhd (“HHPD”).

He founded Hup Lee Engineering Works (“HLEW”) in 1976 as a partnership in the mould and dies industry and incorporated the partnership under HHT on 9 November 1988.

With more than 40 years experience in closely managing the production and marketing operations of HHT and HLEW, Mr Tan possesses in-depth knowledge and experience in the overall operations of HHT as well as the industry in general.

He sits on the Board of all companies under KHLHT and also holds directorships in a number of other private limited companies. He has no conflict of interest with the Company. His daughter, Tan Sook Yee, is also an Executive Director and major shareholder of KHLHT by virtue of her direct shareholding in KHLHT and her interest in Affluent Future Sdn Bhd and Tan Lye Huat Holdings Sdn Bhd.

He has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

TAN SOOK YEE

Executive Director

• *Key Senior Management*

Tan Sook Yee (“Ms Tan”), Malaysian, Female, aged 44, was appointed as Executive Director of the Company on 30 June 2006. She is also one of the Key Senior Management.

Ms Tan graduated with a Bachelor of Manufacturing Engineering (Honours) and Bachelor of Commerce from the University of Melbourne.

She joined the Group as a Customer Support Engineer in 2004 and is now the Business Development Director of which her primary role is to develop new projects for the Group and manage the Group's international businesses. Ms Tan is also the Quality Management Representative for the the Group. She sits on the Board of KHLHT and all its subsidiaries. She also holds directorships in a number of other private limited companies.

She is the daughter of Mr Tan Lye Huat who is the Group Executive Chairman and Managing Director and major shareholder of KHLHT by virtue of his direct shareholding in KHLHT and his interest in Affluent Future Sdn Bhd, Tan Lye Huat Holdings Sdn Bhd and his children. She has no conflict of interest with the Company.

She has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT

(CONT'D)

LIM HOCK AUN

Independent Non-Executive Director

Lim Hock Aun ("Mr Lim"), Malaysian, Male, aged 65, was appointed as Independent Non-Executive Director of KHLHT on 21 October 2020. He is a member of the Malaysian Institute of Accountant, and a member of the Institute of Chartered Accountants, England and Wales.

Mr Lim has more than 25 years of experience in the Malaysian Financial Industry. He was previously the Senior Vice President, Head of Group Basel and Sustainability Reporting in AMMB Holdings Berhad Group ("AmBank Group") until his retirement in July 2020. Prior to his accomplishments in the Malaysian Financial Sector, Mr Lim had served across Accounting, Audit and Tax Industries in the United Kingdom (UK) from September 1980 to July 1991. Upon his return from the UK in 1991, he joined Ban Hin Lee Bank Berhad ("BHLB Berhad") as Accountant. He was then promoted to Manager of Financial Control Department and subsequently assumed the role of Senior Manager/Head of Financial Control Department in 1992 and 1995, respectively.

In 2000, Mr Lim was appointed as Head of Group Finance upon the merger of Southern Bank Berhad and BHLB Berhad. In July 2001, he joined AmAssurance Berhad, the insurance arm of AmBank Group as Head of Finance, Corporate and Planning and had since held various positions within AmBank Group as follows: Head of Finance and Administration of AmBank (M) Berhad and AmIslamic Bank Berhad, Head of Group External Reporting, Head of Group Accounting Policy and Malaysian Financial Reporting Standards Projects, and finally Head of Group Basel and Sustainability Reporting.

He is the Chairman of Audit and Risk Management Committee of the Company and a member of the Nomination Committee and Remuneration Committee of the Company. He does not have any family relationship with any director and/or major shareholder of the Company and there is no conflict of interest with the Company.

He has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YOON HIN YEOW

Independent Non-Executive Director

Yoon Hin Yeow ("Mr Yoon"), Malaysian, Male, aged 60, was appointed as Independent Non-Executive Director of KHLHT on 21 December 2022. He is a member of the Malaysian Institute of Accountant, and a member of the Chartered Institute of Management Accountant of U.K. as well as Member of Institute of Singapore Chartered Accountants.

Mr Yoon has more than 30 years of experience in manufacturing, financial services and power generation.

He was with Schnieder Electric for 24 years as the Chief Financial Officer and Finance Director seconded to multiple cities including Shanghai, Jakarta, Hong Kong, Beijing, Tianjin, Grenoble, Singapore and Kuala Lumpur.

He then joined AmBank Group in Malaysia as the Chief Financial Officer – Group Services in October 2015. In July 2018, he joined CGN/Edra power generation group as Head of Finance, overseeing their finance, accounting and tax for six power plants in Egypt and Bangladesh before retiring in March 2022.

He is the Chairman of the Nomination Committee, a member of the Audit and Risk Management Committee of the Company and a member of the Remuneration Committee of the Company. He does not have any family relationship with any director and/or major shareholder of the Company and there is no conflict of interest with the Company.

He has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF THE BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT

(CONT'D)

THONG CHEE THIM

Independent Non-Executive Director

Thong Chee Thim ("Prof. Thong"), Malaysian, Male, aged 65, was appointed as Independent Non-Executive Director of KHLHT on 6 June 2023. He holds Bachelor of Arts in Business Administration from University of Wales, United Kingdom, a Master of Business Administration from Asia International Open University and a PhD from the Netherlands Maritime University College (NMUC), Malaysia. He has also been conferred a Professorship by NMUC on 26 November 2024.

Prof. Thong has over 30 years of experience in management roles in various industries including securities and education.

He is a member of the Audit and Risk Management Committee of the Company and a member of the Nomination Committee and chair of Remuneration Committee of the Company. He does not have any family relationship with any director and/or major shareholder of the Company and there is no conflict of interest with the Company.

He has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MAK WAI CHIN

Independent Non-Executive Director

Mak Wai Chin ("Ms Mak"), Malaysian, Female, aged 61, was appointed as Independent Non-Executive Director of KHLHT on 27 December 2023. She holds a Degree in Law from National University of Singapore.

Ms Mak is currently the Advocate & Solicitor of the High Court of Malaya. She was called to the Singapore Bar in year 1988 and the Malaysian Bar in the subsequent year. Ms Mak is proficient and well versed in various law fields with specialisation and experience in conveyancing & banking, commercial and corporate, probate & estate administration related matters. She is a Partner of Messrs Mak Loo & Co since year 2012.

She is a member of the Audit and Risk Management Committee, the Nomination Committee and Remuneration Committee of the Company. She does not have any family relationship with any director and/or major shareholder of the Company and there is no conflict of interest with the Company.

She has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

TAN YAW BIN

Key Senior Management

Tan Yaw Bin ("Mr YB Tan"), Malaysian, Male, aged 43, was appointed as Executive Director of the subsidiary companies of the Company in year 2023. He is also one of the Key Senior Management.

Mr YB Tan graduated with a Bachelor of Computing from Monash University.

He joined the Group as an Information Technology and Business Development Executive in year 2025 and is now the Operations Director of which his primary role is to ensure the daily operations of every department run smoothly for the Group and assist in the Group's business development. He does not sit on the Board of KHLHT but sits on the board on all its subsidiaries. He also holds directorships in a number of other private limited companies.

He is the son of Mr Tan Lye Huat who is the Group Executive Chairman and Managing Director and major shareholder of KHLHT by virtue of his direct shareholding in KHLHT and his interest in Affluent Future Sdn Bhd and Tan Lye Huat Holdings Sdn Bhd. He has no conflict of interest with the Company.

He has no conviction for any offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

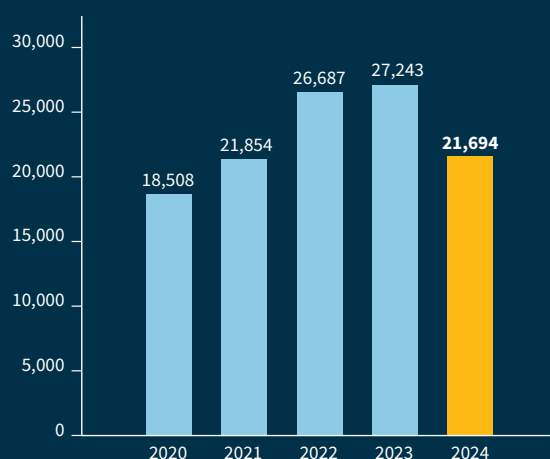
FIVE YEARS' FINANCIAL HIGHLIGHTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER	2020 RM 000	2021 RM 000	2022 RM 000	2023 RM 000	2024 RM 000
Group Revenue	18,508	21,854	26,687	27,243	21,694
Profit Before Tax	2,766	20,056	10,951	12,409	8,787
Profit Attributable to Shareholder	2,431	18,403	9,171	10,187	7,425
Paid Up Capital	40,612	40,612	40,612	40,612	40,612
Total Assets	124,580	143,727	167,328	172,852	175,123
Shareholders' Equity	96,464	116,007	129,321	135,626	139,202
Net Earnings per Share (sen)*	6.65	15.57	7.58	8.55	6.31
Net Assets per Share (RM)*	2.6400	0.9593	1.0807	1.1479	1.1913
Dividend (sen)	3.00	3.50	3.00	3.00	3.00

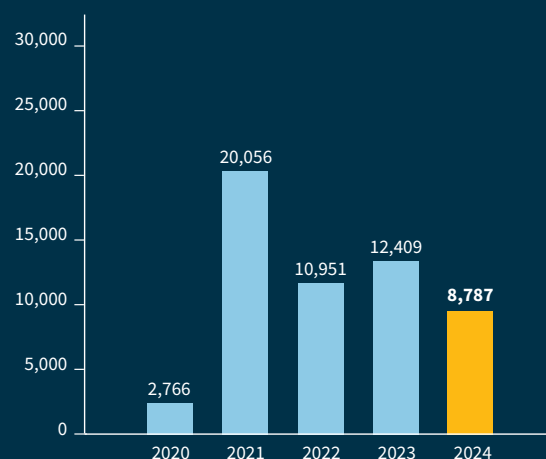
On 6 September 2021, the Company announced that Share Split exercise (every 1 existing share into 3 subdivided shares) has been completed.

* Excluding treasury shares

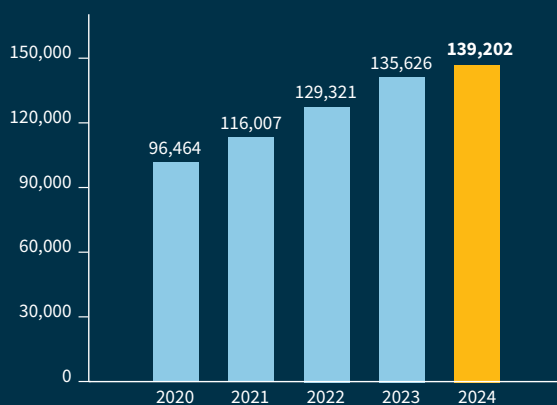
GROUP REVENUE
(RM'000)



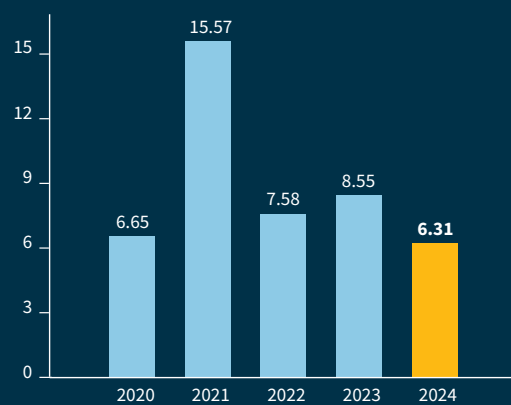
PROFIT BEFORE TAX
(RM'000)



SHAREHOLDERS' EQUITY
(RM'000)



NET EARNINGS PER SHARE*
(sen)



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF CORE BUSINESSES

The principal activities of Kumpulan H & L High-Tech Berhad in the financial year ended 31 October 2024 (“FY2024”) remained unchanged during the financial year and are divided into three business segments:



Manufacturing and sale of precision engineering moulds (PEM) and machine parts, and customisation of precision engineering plastic injection moulds and components catering to sectors such as automotive, consumer, electrical, industrial and medical.



Property investment and property development.



Cultivation of oil palm plantations.

OVERVIEW OF THE GROUP'S BUSINESS IN FY2024

Manufacturing

The manufacturing segment suffered a significant decline in revenue, decreasing by 34.0% from RM16.85 million to RM11.13 million. Additionally, the segment reported a loss of RM0.93 million, contrasting with a profit of RM3.18 million in FY2023. This downturn was primarily driven by reduced demand within the plastic division.

Property Investment and Property Development

The property investment segment generated higher income in FY2024 by 4.0% compared to FY2023 mainly due to rental revision upon renewal of tenancy agreement.

For property development, the group has not launched any project in FY2024 despite holding a land bank in Mukim of Ijuk, Selangor which was purchased about a decade ago.

The management expects to collaborate with an experienced party to develop this land bank in near future.

Plantations

The average crude palm oil (CPO) price surged by 9.7% to RM4,179.50 per tonne last year from RM3,809.50 per tonne in 2023.

During FY2024, Fresh Fruit Bunch (“FFB”) production improved with 9,531 metric tonnes (“MT”) recorded, showing an increase of 9.2% compared to 8,728 MT in FY2023. The weighted average FFB selling price also increased by 6.5% in FY2024 due to higher CPO price.

We expect the FFB production output to continue the uptrend as more acreage of oil palm trees start bearing fruits from new leases of land since 2018 and up to the date of this report.

FINANCIAL AND OPERATION PERFORMANCE OF THE GROUP

The Group' total revenue of reduced by 20.4% to RM21.69 million compared to RM27.24 million in FY2023.

The Group's Profit Before Tax ("PBT") also declined by 29.2% to RM8.79 million in FY2024 mainly due to lower turnover.

If fair value gain on investment properties were excluded, PBT reduced by 63.1% or RM4.74 million mainly due a RM5.73 million reduction in revenue in Manufacturing segment.

Despite setback in Manufacturing segment, The Group still recorded a Profit After Tax ("PAT") of RM7.42 million, which was RM2.76 million or 27.1% lower than FY2023.

WORKING CAPITAL

Total current assets reduced slightly from RM48.29 million to RM44.42 million with a healthy working capital ratio of 9.75 times mainly because of lower cash and cash equivalents. The Group continues its prudent policy on working capital management.

Total liquid assets stood at RM35.06 million versus total borrowings of RM11.94 million. Liquid assets in multiple of borrowings maintained at 2.94 times despite the reduction of RM4.77 million in liquid assets. The biggest component of working capital besides liquid cash was receivables which stood at RM2.34 million versus RM2.96 million last year. The average collection period is 45 days, approximate 44 days in FY2023. There have been no bad debts written off or provision of doubt debts.

Cash and cash equivalent at the end of October 2024 was RM35.06 million, or 12% lower compared to the RM39.83 million at the end of October 2023 mainly due to the lower generate cash from operation while maintaining the dividend payment as well as term loan installment payment.

Total long-term and short-term borrowings at the end of October 2024 was RM 11.94 million, reduced by RM1.62 million compared to previous financial year due to a scheduled term loan installment payment.

CAPITAL INVESTMENT

There were no major capital investments incurred during FY2024.

OUTLOOK AND PROSPECTS

For Financial Year 2025, while the whole world expecting lower interest rate after Federal Reserves of United State of America start reducing their interest rate for three (3) times in year 2024, our Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 3.00% p.a. in January 2025, since last increase in May 2023, from 2.75% to 3.00%.

Despite the prolonged uncertainty, the financial prospect of the Group remained well guarded with a net cash position as well as consistent net cash generated from operations in the past.

Manufacturing

The manufacturing business is anticipated to recover in FY2025.

Property Investment and Property Development

Property investment is expected to be stable as the group employs measures to retain current tenants and ensure that empty units, if any, are rented out as soon as possible. As for property development, we continuously explore joint ventures to develop existing landbank and identify new landbanks for future development.

Plantation

The outlook for the Malaysian palm oil industry is expected to be better in 2025 (in terms of the CPO price) despite the average CPO price already about 10% higher in year 2024 compared to year 2023.

At the recent Malaysian Palm Oil Economic Review and Outlook (R&O) Seminar 2025, the host Malaysian Palm Oil Board (MPOB) had forecast CPO prices to average at RM4,000 to RM4,300 per tonne, while the guest speakers have pegged prices averaging RM4,250 to RM4,350 per tonne for this year.

For plantation, the Group does not own the land but has low lease commitments. The Group will be exempted from rental charges if the oil palm trees are infected by any disease, thus reducing the risk to the plantation business.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

RISK FACTORS

Manpower Shortage

The manufacturing and plantation segments are heavily reliant on foreign workers. In the meantime, we are retraining our manpower with new skills and doing our best to retain talents.

Inflation

High inflation and/or high interest rate poses a real risk to businesses including higher operating costs, such as materials, wages and labor costs, as well as a negative impact on revenue as a result of decreased consumer confidence and discretionary spending.

DIVIDEND POLICY

The declaration of interim dividends and the recommendation of final dividends (if applicable) are subject to the Board's discretion and any final dividend for the year is subject to the shareholders' approval.

While the Group does not have any formulated dividend policy or payout ratio but historically the company has been distributing dividends regularly twice a year.

We recognise that it is important to reward our investors with dividends. Therefore, it is our intention to declare and recommend dividends in the future to allow shareholders to enjoy the profits, subject to various factors including financial performance and cash flow requirements.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Kumpulan H&L High-Tech Berhad (KHLHT) has been in the industry for over 40 years, driven by a steadfast commitment to corporate sustainability. Our vision is to strengthen our presence in the global marketplace and solidify our position as a leader in comprehensive plastic engineering solutions. We strive to consistently exceed customer expectations through continuous innovation and excellence.

We prioritise transparent communication with our stakeholders, ensuring they are well-informed about our sustainability initiatives. This dedication is reinforced by practical and strategic measure designed to achieve long term growth while delivering positive impacts to all our stakeholders.

REPORTING STANDARDS

The regulatory framework and guidelines set out below have guided us in preparing this sustainability statement.

- Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”)
- Sustainability Reporting Guide, 3rd Edition (“SRG”) issued by Bursa Malaysia Securities
- Malaysian Code on Corporate Governance, updated on 28 April 2021 (“MCCG 2021”); and
- Global Reporting Initiative (“GRI”) 2021.

By incorporating these regulatory frameworks and guidelines, we demonstrate our commitment to professionalism, accountability, and transparency in the preparation of this Sustainability Statement.

REPORTING SCOPE AND PERIOD

Our Sustainability Statement has revised the scope from the previous financial year, encompassing the 2 core business units situated in Selangor, Malaysia. These units consist of the following and not limited to below:

Name of Entities	Division
H & L High-Tech Sdn Bhd Plastik STC Sdn Bhd	Manufacturing and sales of precision engineering moulds and other precision machine parts

The decision to revise the scope to 2 business units reflects our commitment to focusing on the core operations that contribute most significantly to our sustainability impact and business performance. By prioritising these key units, we can:

- Ensure the highest data quality and accuracy.
- Drive more targeted sustainability initiatives with measurable outcomes.
- Concentrate on the areas that provide the most value and transparency.

This focused approach allows us to establish a solid foundation for reporting and performance improvement, setting the stage for expanding the scope in the future as we refine our data collection and sustainability strategies.

This Statement provides information for the period spanning from 1 November 2023 to 31 October 2024, unless specified otherwise.

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subjected to external assurance. However, internal validation by division heads and data owners ensures accuracy. The Group is actively working towards implementing an assurance process aligned with industry standards to enhance the accuracy and reliability of our sustainability reporting. Recognising the importance of transparent and credible sustainability reporting, there is a commitment to collaborating closely with relevant parties to achieve this goal.

FEEDBACK

We value and welcome feedback from our stakeholders on our Sustainability Statement and the issues it addresses. We invite comments, questions and suggestions about this Statement to be sent to ir@hlhightech.com. Your input is invaluable and greatly appreciated.

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY GOVERNANCE

We acknowledge the significance of establishing a resilient sustainability governance and leadership framework to efficiently steer the sustainability initiatives at KHLHT. Our governance system has been crafted to enable the infusion of sustainability principles across every facet of our business activities and decision-making procedures. This framework mandates our Group's dedication to implementing sustainable practices that generate long-term value for our stakeholders.

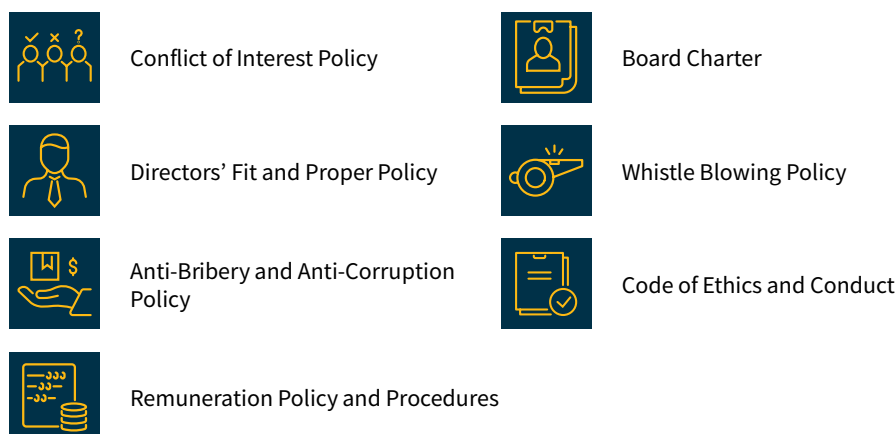
The following outlines the functions and responsibilities assigned to each level within our governance structure:



POLICIES AND PROCEDURES FOR GOVERNANCE AND OVERSIGHT

As part of our commitment to fostering strong corporate governance practices, the Group maintains policies that not only provide a framework for corporate governance but also serve as a means of instilling a culture of business ethics in our employees.

The following policies exemplify our commitment to sustainability:









The implementation of these policies reflects our commitment to fostering transparency, accountability, and responsible stewardship of the environment and the communities in which we operate. We seek to uphold the highest standards of professionalism and ethical conduct.

STAKEHOLDERS ENGAGEMENT

Our stakeholders are important to us and play a pivotal role in achieving our goals. Their input offers valuable perspectives that help us identify areas for improvement and develop strategies to address them, leading to greater overall success. We actively engage with our stakeholders through a range of communication channels.

With a dedication to fostering collaboration and mutual understanding, we present a comprehensive summary of our key stakeholders, their related material sustainability issues and our ongoing engagement efforts, as outlined in the table below:

Key Stakeholders	Areas of Interest	Engagement Methodology	Frequency
 Shareholders and Investors	<ul style="list-style-type: none"> • Accurate disclosure • Future direction • Recent performance • Sustainability 	<ul style="list-style-type: none"> • Annual General Meetings • Conference Calls 	Annually or when required
 Employees	<ul style="list-style-type: none"> • Compensation & Benefits • Personal Development • Insurance & Medical • Health and Safety • Efficiency & Comfort 	<ul style="list-style-type: none"> • Annual performance appraisal • Occupational Health and Safety Committee meetings • Annual Team-Building & Dinner • Regular communications and meetings • Direct whistle-blowing channels 	Regularly
 Customers	<ul style="list-style-type: none"> • Quality & Pricing • On-time Deliveries 	<ul style="list-style-type: none"> • Annual Survey & Feedback • Regular communications • Complaints channel 	Ongoing
 Suppliers	<ul style="list-style-type: none"> • Quality & Pricing • On-time Deliveries • Sustainable supply chain and future business dealings • Procurement management 	<ul style="list-style-type: none"> • Annual Review & Feedback • Regular communications • Complaints channel • On-Site Visits 	Ongoing or regularly
 Regulators	<ul style="list-style-type: none"> • Good & fair governance • Legal compliance 	<ul style="list-style-type: none"> • Active participation in industry associations • Meetings with Government Agencies • Regular Audits & Inspections 	When required
 Community	<ul style="list-style-type: none"> • Community investment involves contributing donations, both in monetary and non-monetary. 	<ul style="list-style-type: none"> • Donations • Fundraising • Charity events 	Ongoing

SUSTAINABILITY STATEMENT

(CONT'D)

MATERIALITY MATTERS

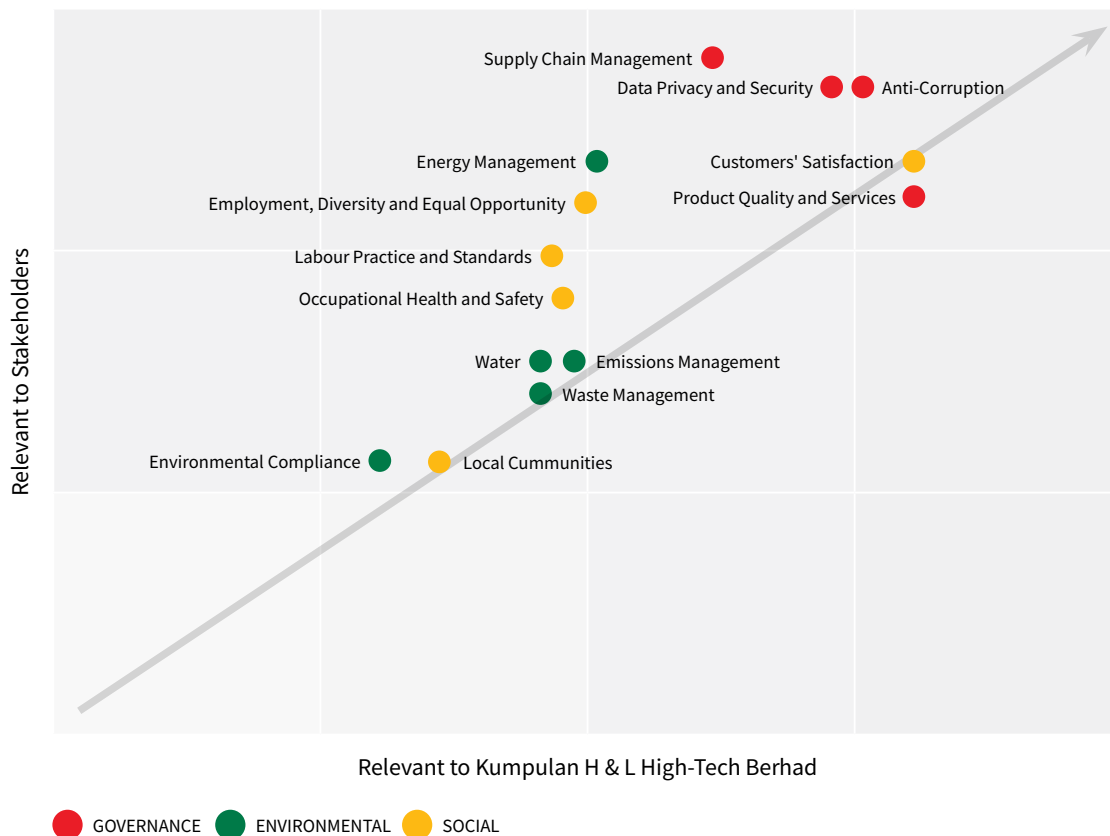
Material matters include governance, environmental and social factors that have a significant impact on our ability to deliver stakeholder value. We prioritise these issues by assessing their relevance and aligning them with our business to meet stakeholder interests.

Our Group uses a comprehensive methodology to identify material sustainability issues, taking into account internal and external risks and stakeholder perspectives. We use a four-step process to determine the list of material issues for reporting, in line with industry best practices. This approach ensures a robust and systematic representation of our organisation's sustainability priorities. The steps in the process include:

- i. Determine sustainability issues
- ii. Categorisation and prioritisation
- iii. Process review
- iv. Monitoring

A total of **FOURTEEN (14) KEY MATERIAL SUSTAINABILITY MATTERS** were mapped as outlined in the graph below in line with the requirements under the Sustainability Reporting Guide (3rd Edition) and the changing business environment.
















MATERIALITY MATRIX



SUSTAINABILITY STATEMENT



(CONT'D)

The following table highlights our material sustainability matters and the mapping of our sustainability matters to UNSDG:

Sustainability Matters	UNSDG reference
GOVERNANCE	
Anti-Corruption Upholding the highest standards of integrity and ethics throughout our operations. This involves implementing robust anti-corruption policies, promoting a culture of transparency, and actively preventing bribery and corrupt practices.	
Supply Chain Management Ensuring a resilient, ethical, and sustainable supply chain that encompasses responsible sourcing, prioritising local suppliers, contributing to community development, reducing carbon footprint, and promoting economic growth at the local level.	
Product Quality and Services Committing to excellence by consistently delivering high-quality products and services that meet or exceed customer expectations.	 
Data Privacy and Security We prioritise and diligently safeguard the privacy and security of data, ensuring robust measures are in place to protect sensitive information from unauthorised access or breaches.	
ENVIRONMENTAL	
Energy Management We actively seeks to minimize its environmental impact by implementing energy-efficient technologies, promoting conservation measures, and exploring renewable energy sources.	  
Water Actively monitoring and assessing water consumption, we strive to reduce our footprint, protect water quality, and support local ecosystems.	
Emissions Management Regular assessments and monitoring ensure compliance with regulatory standards and guide continuous improvement initiatives. We aim to mitigate our carbon footprint, contribute to climate change mitigation efforts, and foster a sustainable future for generations to come.	  
Waste Management Regular monitoring and assessment of waste generation enable us to enhance disposal practices and explore opportunities for waste reduction. We are committed to improving waste segregation, increasing recycling efforts, and minimising landfill contributions to support a circular economy and drive long-term sustainability.	 
Environmental Compliance Upholding a steadfast commitment to regulatory adherence and environmental responsibility in all aspects of our operations.	

SUSTAINABILITY STATEMENT

(CONT'D)

Sustainability Matters	UNSDG reference
SOCIAL	
Employment, Diversity and Equal Opportunity We are committed to securing employee contentment by upholding workforce rights through equitable treatment while embracing diversity as a core strength, fostering an inclusive environment that promotes equal opportunities for all.	  
Labour Practices and Standards Investing in the continuous development and empowerment of our workforce through comprehensive training and educational initiatives. We are committed to providing relevant and up-to-date training programs that enhance the skills, knowledge, and capabilities of our employees.	
Occupational Health and Safety We are committed to providing a safe and healthy working environment through comprehensive risk assessments, regular safety training, and the implementation of preventive measures.	
Local Communities We actively engage with and contribute to the well-being of the communities in which we operate.	
Customers' Satisfaction Placing the highest priority on understanding and meeting the needs of our customers. We are committed to delivering products and services that consistently surpass customer expectations.	

KEY PERFORMANCE INDICATORS ("KPI")

A set of sustainability targets and Key Performance Indicators ("KPIs") have been established.

ESG Indicators	FY2025 Sustainability Target	FY2024 Performance
Anti-Corruption	• Zero cases on bribery and corruption	• Zero cases on bribery & corruption
Supply Chain Management	• To maintain 76% of local suppliers	• Achieved 76% of local suppliers
Product Quality and Services	• Maintain and ensure 100% compliance with ISO 9001:2015 and ISO 13485:2016 certification	• Maintained ISO 9001:2015 and ISO13485:2016 certification
Data Privacy and Security	• Maintain zero data breaches	• Achieved zero complaints on data breaches
Energy Management	• Maintain total energy consumption • Increase renewable energy generated by 3%	• Energy consumption decreased by 12.5% • Renewable energy generated increased by 12.3%
Water	• Maintain total water consumption	• Reduction of 14.4% of water consumption

SUSTAINABILITY STATEMENT

(CONT'D)

ESG Indicators	FY2025 Sustainability Target	FY2024 Performance
Emissions Management	<ul style="list-style-type: none"> • Maintain Scope 1, 2 & 3 	<ul style="list-style-type: none"> • Scope 1: 32.78 tCO₂e, decreased 17.81% • Scope 2: 1,493.55 tCO₂e, decreased 12.56% • Scope 3: 77.23 tCO₂e
Waste Management	<ul style="list-style-type: none"> • Reduce directed waste disposal by 3% • Establish and identify the type of waste produced 	<ul style="list-style-type: none"> • Total directed waste disposal of 97.07 metric tonnes
Environmental Compliance	<ul style="list-style-type: none"> • Maintain zero cases of non-compliance 	<ul style="list-style-type: none"> • Zero cases of non-compliance and penalties imposed
Employment, Diversity and Equal Opportunity	<ul style="list-style-type: none"> • Maintain one-third of female representatives on the Board of Director • Increase or maintain female employee representation to 50% and local employment rate to 65% 	<ul style="list-style-type: none"> • Director: 33% female directors • 47% female employees • 62% of local employees
Labour Practice & Standards	<ul style="list-style-type: none"> • Increase average training hours to 4.5 per employee • Maintain a low employee turnover rate • Maintain zero human rights violations 	<ul style="list-style-type: none"> • 3.93 hours of average training conducted per employee • Total number of employee turnover: 4 persons • Zero complaints received concerning human rights violations
Occupational Health and Safety	<ul style="list-style-type: none"> • Maintain zero workplace fatalities and lost time incidents • Expanding OSH training to at least 40 employees 	<ul style="list-style-type: none"> • Zero non-compliances, case of fatalities and accident • Zero lost time incident • 25 persons attended OSH training
Local Communities	<ul style="list-style-type: none"> • Increase the total amount invested in the communities by 10% from FY2024. 	<ul style="list-style-type: none"> • Internal Communities: Invested RM 113,829.78 • External Communities: Invested RM 7,500 • Sponsored / Donated to 5 entities
Customers' Satisfaction	<ul style="list-style-type: none"> • Increase or maintain an average customer satisfaction rate above 90% 	<ul style="list-style-type: none"> • Customer satisfaction rate: H&L High-Tech Sdn Bhd: 86% • PSTC: 90.9%

SUSTAINABILITY STATEMENT

(CONT'D)

RISKS, OPPORTUNITIES AND MANAGEMENT APPROACH

Through our materiality assessment process, we have identified potential sustainability risks and opportunities that are relevant and material to both our business and stakeholders. This step enables us to gain a better understanding of materiality matters and formulate proactive strategies and address these issues.

Material Topics	Risks	Opportunities	Impacted Key Stakeholders	Management Approach
Anti-Corruption	<ul style="list-style-type: none"> Integrity risk Reputation damage 	<ul style="list-style-type: none"> Increased reputation and customers' loyalty 	<ul style="list-style-type: none"> Shareholders and Investors Regulators Employees 	<ul style="list-style-type: none"> Anti-Bribery and Anti-Corruption declaration by employees on annual basis Reminders on Anti-Bribery and Anti-Corruption ("ABAC") through training and briefings
Supply Chain Management	<ul style="list-style-type: none"> Supplier reliability Quality assurance Labour shortage 	<ul style="list-style-type: none"> Building strong relationships and working closely with suppliers Streamlining supply chain processes can lead to cost savings through improved efficiency, reduced waste and better negotiation with suppliers. 	<ul style="list-style-type: none"> Suppliers Customers Shareholders and Investors 	<ul style="list-style-type: none"> Continuously assessing and addressing supply chain risks
Product Quality and Services	<ul style="list-style-type: none"> Manufacturing defects Material quality Equipment and machinery failure 	<ul style="list-style-type: none"> Quality certification and standards Implement process automation for improved precision and consistency 	<ul style="list-style-type: none"> Customers Suppliers Shareholders and Investors 	<ul style="list-style-type: none"> Implement and maintain a robust Quality Management System ("QMS") such as ISO 9001 Regularly conduct risk assessments Quality control and testing Training and skill development
Data Privacy and Security	<ul style="list-style-type: none"> Leakage / Loss of confidential information Cybersecurity risk 	<ul style="list-style-type: none"> Strengthened customer confidence Enhanced operational efficiency and streamlined data management processes 	<ul style="list-style-type: none"> Shareholders and Investors Employees Customers Suppliers 	<ul style="list-style-type: none"> Foster awareness among employees in handling confidential information Implement access control measures
Energy Management	<ul style="list-style-type: none"> Pollution and environmental risk 	<ul style="list-style-type: none"> Lessen environmental impact whilst decreasing overall cost 	<ul style="list-style-type: none"> Customers Suppliers Employees 	<ul style="list-style-type: none"> Implement energy efficiency practices Install solar panels
Water	<ul style="list-style-type: none"> Shortage of water supply disrupts production processes and daily use 	<ul style="list-style-type: none"> Create opportunities for water saving technologies and management solutions Educate staff about water saving 	<ul style="list-style-type: none"> Regulators Shareholders and Investors Employees 	<ul style="list-style-type: none"> Continue usage of alternative water sources for daily usage such as rainwater
Emissions Management	<ul style="list-style-type: none"> Impact of GHG emissions on the environment, climate and human health 	<ul style="list-style-type: none"> Energy efficiency solutions Renewable energy integration 	<ul style="list-style-type: none"> Shareholders and Investors Employees Suppliers 	<ul style="list-style-type: none"> Implement emissions reduction measures Set emissions reduction targets

SUSTAINABILITY STATEMENT

(CONT'D)

Material Topics	Risks	Opportunities	Impacted Key Stakeholders	Management Approach
Waste Management	<ul style="list-style-type: none"> Increased waste generation and lack of formal recycling initiatives 	<ul style="list-style-type: none"> Establishing proper waste segregation and recording mechanisms Practice recycling efforts 	<ul style="list-style-type: none"> Regulators Suppliers Customers Employees 	<ul style="list-style-type: none"> Implement structured waste segregation Track recycling activities Explore sustainable waste reduction strategies
Environmental Compliance	<ul style="list-style-type: none"> Pollution and environmental risk 	<ul style="list-style-type: none"> Capable of adhering to legal regulations and avoiding penalties 	<ul style="list-style-type: none"> Shareholders and Investors Customers Suppliers 	<ul style="list-style-type: none"> Conduct environmental audits on annual basis
Employment, Diversity and Equal Opportunity	<ul style="list-style-type: none"> Shortages of skilled labour Employee turnover Competency gap Instances of discriminatory practices and failure to comply with basic human rights regulations can result in reputational risks 	<ul style="list-style-type: none"> Skilled labour development Engage with employees and uphold open communication 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Robust talent management strategies Foster open communication with employees to comprehend their concerns and prioritise their well-being
Labour Practice and Standards	<ul style="list-style-type: none"> Emerging industrial trends, evolving practices, and changes in regulatory requirements may render the existing knowledge of employees outdated 	<ul style="list-style-type: none"> Continuous learning within the company that is aligned with key performance indicators (KPIs) 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Assess training requirements by conducting performance appraisals
Occupational Health and Safety	<ul style="list-style-type: none"> Safety and health hazards Reputational damage 	<ul style="list-style-type: none"> Taking care of overall well-being of employees by mitigating future accidents 	<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Quarterly meeting to identify potential hazards, develop safety policies and procedures, and implement safety improvement initiatives Sharing lesson learned from the accident reporting during the meeting
Local Communities	<ul style="list-style-type: none"> Possible health hazards for the local community could arise from the operations, potentially leading to the issuance of a penalty notice 	<ul style="list-style-type: none"> Establish a reputation as a leading and sustainable industrial entity 	<ul style="list-style-type: none"> Community 	<ul style="list-style-type: none"> Implement activities/events that engage the community such as donations, charity and fundraising
Customers' Satisfaction	<ul style="list-style-type: none"> Product quality issues Pricing and cost issues Lack of After-Sales support Supply chain disruptions 	<ul style="list-style-type: none"> Offer customisation options to tailor products to individual customers' needs On-time deliveries Quality assurance 	<ul style="list-style-type: none"> Customers Suppliers 	<ul style="list-style-type: none"> Implement rigorous quality control measures and standards Encourage customer feedback Establish an efficient after-sales support system

SUSTAINABILITY STATEMENT

(CONT'D)

FY2024 SUSTAINABILITY KEY ACHIEVEMENT



GOVERNANCE

Anti-Corruption

The Group is dedicated to conducting business with integrity and in full compliance with all applicable laws, including the Malaysian Anti-Corruption Commission Act 2009 and its Amendment Act 2018 (MACC). We uphold a strict zero-tolerance policy towards bribery and corruption, reinforcing our commitment to ethical, responsible, and transparent business practices.

To formalise this commitment, the Anti-Bribery and Anti-Corruption (ABAC) Policy has been in effect since June 1, 2020. The policy applies to the Board of Directors, all employees, customers, suppliers, and any parties associated with the Group. Oversight of the ABAC Policy is the responsibility of the Board of Directors, supported by the Directors and Heads of Departments (HODs), ensuring compliance at all levels. All managers and employees are required to familiarise themselves with and adhere to the policy.

In FY2024, no incidents of bribery or corruption were reported (FY2022 and FY2023: Nil) as shown in the table below. The Group remains steadfast in its efforts to maintain this record in FY2025 by enforcing stringent controls and procedures in alignment with the ABAC Policy.

Year	Reported Cases of Bribery and Corruption
FY2022	0
FY2023	0
FY2024	0

Additionally, the Group has established a Whistleblowing Policy to provide employees with a secure and confidential channel to report any suspected misconduct or unethical behaviour.

The ABAC Policy and Whistle-blowing Policy is available on the Company's website at www.hlhightech.com.

Supply Chain Management

Procurement and Supplier Management

We recognise the pivotal role our suppliers play in delivering high-quality products and services to our customers. Aligned with our mission to deliver excellence, we work closely with our suppliers to ensure superior quality and promote sustainability throughout our operations.

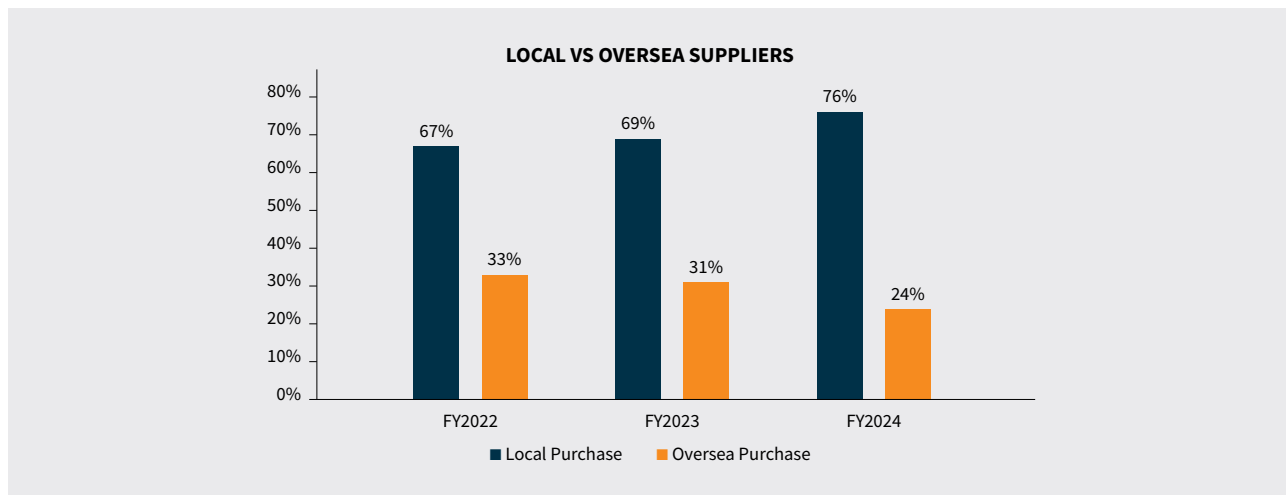
To uphold our rigorous standards, we employ a comprehensive supplier assessment framework that evaluates key criteria, including customer services, product quality and timely delivery. These assessments enable us to monitor and enhance the performance of our suppliers. We also conduct regular reviews to foster collaboration and proactively address potential risks. As of October 31, 2024, the Group successfully completed the supplier evaluation process, covering 73.2% of active suppliers. This thorough evaluation provides critical insights into supplier performance, reliability, and compliance, strengthening our overall supply chain management.

In addition to performance assessments, sustainability remains a priority in our procurement strategy. We actively explore eco-friendly transportation solutions to reduce our carbon footprint. While our current transportation and machinery rely on diesel and petrol, we are investigating initiatives to enhance sustainability across our supply chain and minimise environmental and social impacts.

Local Procurement

The Group leverages an extensive supplier network comprising both domestic and international sources. Whenever feasible, we prioritise procuring materials and products from local vendors situated near our operational facilities. This strategy enhances supply chain efficiency, reduces lead times, and delivers added convenience to our customers. Additionally, by supporting local suppliers, we contribute to regional economic growth, promote job creation, and help sustain local businesses.

In FY2024, local suppliers represented 76% of our total procurement, up from 69% in FY2023 and 67% in FY2022. This steady increase reflects our ongoing efforts to strengthen partnerships with local vendors and enhance the resilience of the regional supply chain.



The accompanying chart illustrates the proportion of local and foreign suppliers for H&L High-Tech Sdn Bhd and Plastik STC Sdn Bhd in FY2024. Notably, Entity H&L High-Tech Sdn. Bhd. is exclusively sourced from local suppliers, achieving 100% local procurement.

SUSTAINABILITY STATEMENT

(CONT'D)

Product Quality and Services

As a leader in the design and manufacture of precision moulds for plastic, rubber, and metal products—including plastic injection moulding for industries such as electronics, automotive, furniture, and medical devices—the Group places a strong emphasis on delivering exceptional product and service quality.

Our commitment to excellence is reinforced through credible accreditations for our operational processes. These certifications serve as a tangible demonstration of our adherence to stringent standards and industry best practices. They not only enhance our reputation but also provide our valued customers with the assurance that we consistently uphold the highest quality standards in all aspects of our operations.

Name Accreditation	Provider Entities	Scope of Approval	Issue Date	Expiry Date
ISO 9001:2015	H & L High-Tech Sdn Bhd	Design and Manufacture of Precision Moulds for Plastic, Rubber and Metal Products	10-Jan-2024	11-Jun-2027
	Plastik STC Sdn Bhd	Manufacture of plastic injection moulding for electronics & electrical, automotive and furniture parts	18-Aug-2022	31-Aug-2025
ISO 13485:2016	Plastik STC Sdn Bhd	Molding and Assembly of Medical Device Plastic Components	08-Sep-2023	22-Sep-2026

These certifications provide independent verification that our products and services meet recognised industry standards, thereby instilling confidence in our stakeholders.

Data Privacy and Security

Our Group places a strong emphasis on safeguarding customer privacy and ensuring full compliance with the Personal Data Protection Act 2010 (PDPA). This commitment underscores our dedication to the responsible handling of personal data, including its collection, processing, and retention. Data confidentiality is embedded in our corporate framework, forming an integral part of our Code of Conduct, Employment Letters, and Employee Handbook. These documents clearly outline the expectations and responsibilities of employees concerning data protection.

To reinforce data security, we have implemented stringent protective measures and adopted robust technologies. Our security protocols include the use of anti-virus software, routine system updates, and strict access controls. For instance, internet access on employee computers is restricted, with USB drive ports disabled to minimise the risk of unauthorised data transfers or cyber threats. Only designated computers, primarily those used by Management, are granted internet access. These preventive measures serve to strengthen our cybersecurity defences and reduce the risk of malware or virus attacks. In addition, we have established a Non-Disclosure and Confidentiality Agreement (NDA) to safeguard sensitive information shared within the Group. The oversight of data privacy matters is entrusted to the Key Senior Management team, ensuring a top-level focus on compliance and security.

Our IT policy further complements these efforts by providing clear guidelines on access management, network security, and the appropriate use of IT assets. This policy is continuously reviewed and updated to remain aligned with best practices and emerging risks in cybersecurity.

We are proud to report that in FY2024, as in previous years, there were no reported incidents of data breaches or related complaints (FY2023: Nil, FY2022: Nil). This unblemished record demonstrates our ongoing vigilance and commitment to maintaining the highest standards of data privacy. Moving forward, we will continue to prioritise privacy protection and implement proactive measures to uphold our exemplary track record in data security.

ENVIRONMENTAL

Addressing Task Force on Climate-Related Financial Disclosures ("TCFD")

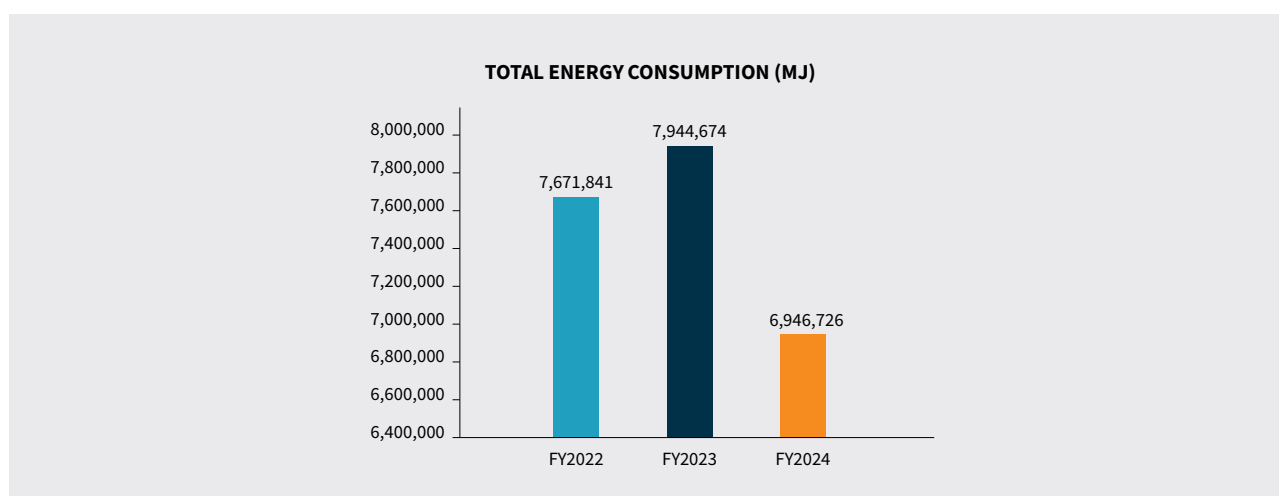
The Group recognises the significant impact climate change can have on businesses and is committed to assessing the associated risks and opportunities. In line with Bursa Malaysia's requirements, we are proactively working toward compliance with the Task Force on Climate-related Financial Disclosures (TCFD) standards. We are currently in the process of compiling and preparing our TCFD-related information to meet the mandatory disclosure requirements by 2025.

Energy Management

Effective energy management is a vital aspect of the Group's operations, particularly in the manufacturing segment, where energy consumption significantly impacts performance. We are committed to maximising energy efficiency by closely monitoring power usage and upgrading to energy-efficient equipment. These initiatives not only enhance operational efficiency but also align with our commitment to sustainable practices.

Routine maintenance and precise calibration of machinery are prioritised to optimise performance and reduce energy wastage. By implementing effective energy management practices, we reduce our carbon footprint, achieve cost savings, and improve financial performance. Our dedication to continuous improvement in energy management underscores our commitment to minimising environmental impacts and fostering sustainability throughout our operations.

The following chart shows the energy consumption from our major operations which are H & L High-Tech Sdn Bhd and Plastik STC Sdn Bhd from FY2022 to FY2024:



In FY2024, the Group's energy consumption was 6,946,726 MJ, a 12.56% reduction compared to FY2023. This significant decrease reflects the Group's focused efforts on optimising energy management and aligning operations with evolving market conditions. The energy usage per revenue in FY2024 stood at 0.604 MJ per RM1 revenue, reflecting the Group's unwavering focus on sustaining production capacity and operational excellence. This demonstrates the Group's commitment to ensuring consistent production output, even during periods of fluctuating market conditions, to meet customer needs and maintain its reputation for reliability.

In FY2023, the Group recorded an energy consumption of 7,944,674 MJ, a 3.56% increase from FY2022. Despite the rise in overall energy consumption, the energy usage per revenue improved to 0.462 MJ per RM1 revenue, reflecting the Group's ability to support heightened production levels with greater operational efficiency. In FY2022, energy consumption totalled 7,671,841 MJ, with an energy usage per revenue of 0.508 MJ per RM1 revenue. This served as a strong baseline for the Group's continuous improvement in energy efficiency while meeting production demands.

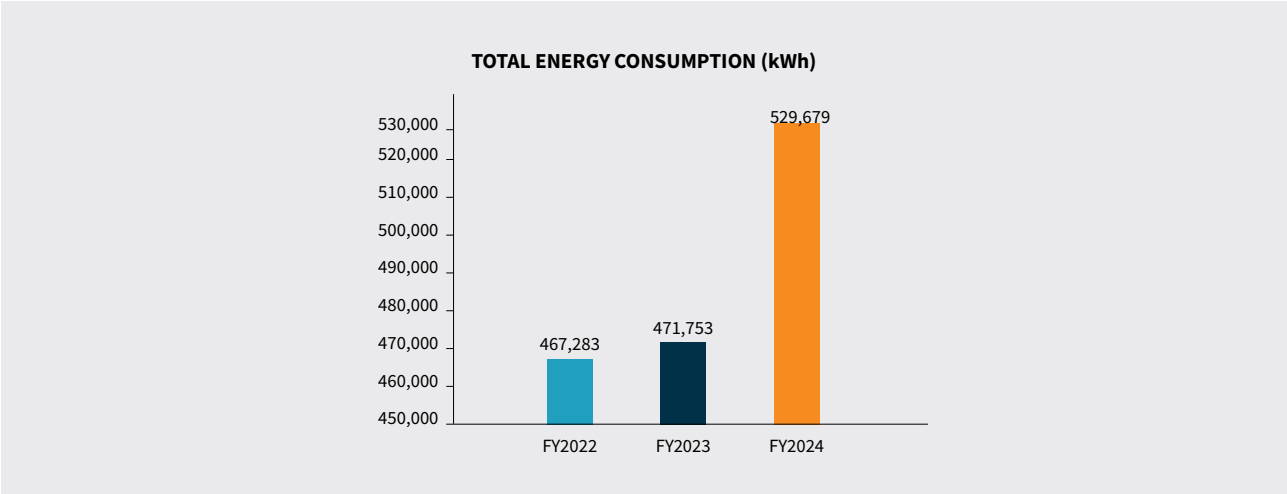
SUSTAINABILITY STATEMENT

(CONT'D)

Over the years, the Group has showcased its dedication to balancing energy consumption and business growth. Through strategic investments in energy management systems and ongoing optimisation initiatives, the Group remains committed to enhancing its operational efficiency and sustainability performance.

To reinforce our commitment to sustainability, the Group has strategically invested in renewable energy by installing a 124 kW solar system on the roof of our facility. This investment reduces our reliance on conventional energy sources and underscores our dedication to sustainable practices. By integrating renewable energy into our operations, we aim to enhance environmental responsibility and support a greener future while optimising our energy management efforts.

The following chart shows the percentage of renewable energy consumption from FY2022 to FY2024:



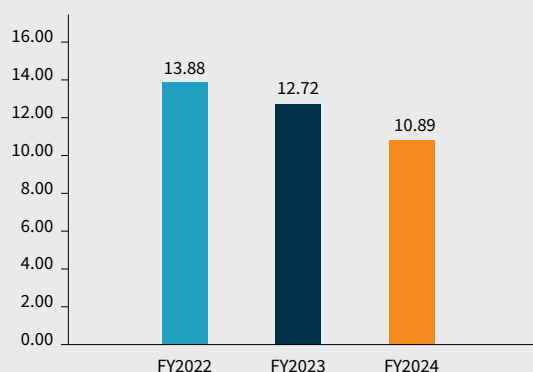
The Group’s renewable energy generation continues to demonstrate remarkable progress, reflecting our consistent dedication to sustainability and innovation. In FY2024, the total renewable energy generated reached an impressive 529,679 kWh, marking an increase of 12.29% from FY2023. This growth highlights the successful optimisation of our solar system, which has been integral in reducing reliance on conventional energy sources. In FY2023, renewable energy generation totalled 471,753 kWh, representing a slight but consistent increase of 0.96% from FY2022, where 467,283 kWh was generated. These upward trends underscore the Group's continuous efforts to enhance energy efficiency and expand our renewable energy capacity, ensuring a more sustainable and resilient operational framework for the future.

Water

The Group places significant emphasis on reducing water consumption, recognising its critical importance to businesses, particularly those in industries like manufacturing and industrial activities that heavily rely on water. Aware of the complexities of water usage, the Group is committed to implementing targeted water conservation initiatives. These efforts aim to minimise our environmental footprint, reduce water-related costs, and enhance our overall sustainability.

The chart illustrates the water consumption of our major operations which are H & L High-Tech Sdn Bhd and Plastik STC Sdn Bhd from FY2022 to FY2024:

TOTAL WATER CONSUMPTION (MEGALITRES)



In FY2024, total water consumption was recorded at 10.89ML, reflecting a significant reduction of 14.38% compared to FY2023. Although this reduction was primarily driven by a decrease in total sales, it also underscores the Group's ability to manage resources efficiently during periods of market adjustment. Despite the challenges posed by reduced sales, the Group remains steadfast in its commitment to responsible water usage and operational efficiency. Water usage per revenue in FY2024 increased slightly to 9.476×10^{-7} ML per RM1 revenue, a reflection of the stable operational needs required to maintain production and meet customer demand.

In FY2023, water consumption totalled 12.72ML, representing an 8.36% reduction from FY2022. This decline was attributed to improved water management practices and operational efficiencies that successfully curtailed non-essential water use during the year. In FY2022, total water consumption stood at 13.88ML, with higher usage largely influenced by increased cleaning requirements driven by COVID-19 protocols.

The Group's overall performance in water management, despite varying market conditions, highlights its ongoing commitment to sustainability. By focusing on operational efficiency and continuous improvement, the Group strives to maintain responsible water usage while supporting business continuity.

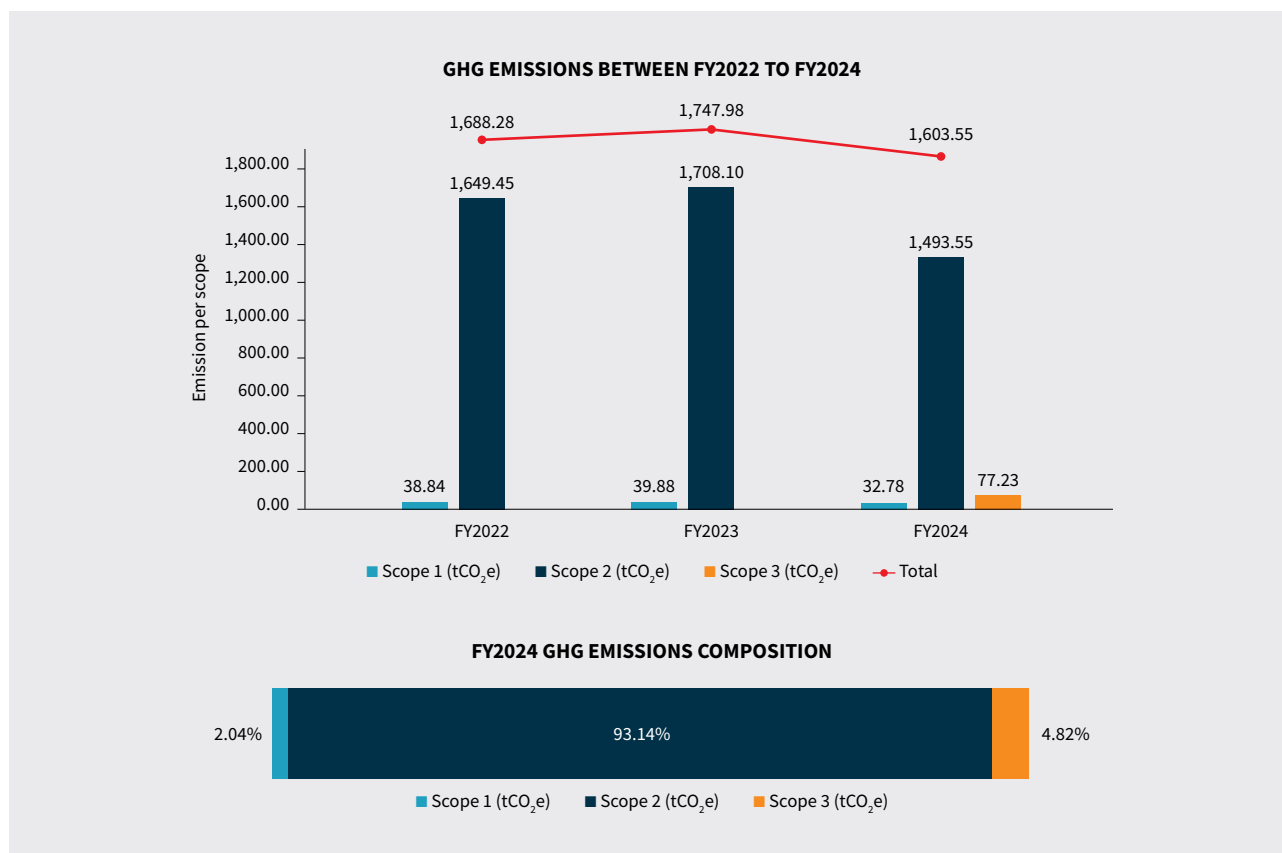
Emissions Management

The Group acknowledges the substantial environmental impact of greenhouse gas (GHG) emissions and recognises the growing urgency to address climate-related concerns. With heightened awareness of climate change risks and the tightening of global and local climate regulations, we place strong emphasis on the monitoring, management, and transparent reporting of our GHG emissions. Our commitment focuses on Scope 1, Scope 2, and Scope 3 emissions* to provide a comprehensive overview of our environmental impact. This proactive approach underscores the Group's dedication to sustainability and accountability, ensuring we contribute meaningfully to global climate action while aligning with evolving regulatory expectations. Through meticulous tracking and regular reporting of GHG emissions, we aim to identify key areas for improvement, implement effective reduction strategies, and drive continual progress toward a low-carbon future.

Over the past three years, the Group has demonstrated a proactive approach to monitoring and managing greenhouse gas (GHG) emissions across all operational scopes. In FY2024, total GHG emissions amounted to 1,603.55 tCO₂e, a 6.12% reduction compared to FY2023, attributed to the Group's adaptability in streamlining production activities and optimising resource allocation. This result underscores the company's ability to respond effectively to evolving market conditions while maintaining its environmental commitments.

SUSTAINABILITY STATEMENT

(CONT'D)



***Note:**

- 1.) Scope 1 (Direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organisation) - Comprises of only H & L High-Tech Sdn Bhd and Plastik STC Sdn Bhd.
- 2.) Scope 2 (Indirect GHG emissions arising from the generation of purchased electricity consumed by the company.) - Comprises of only H & L High-Tech Sdn Bhd and Plastik STC Sdn Bhd.
- 3.) Scope 3 (All other indirect emissions that are a consequence of the activities of the company but occur from sources not owned or controlled by the company.) - Comprises of only H & L High-Tech Sdn Bhd and Plastik STC Sdn Bhd for Category 6: Business Travel and Category 7: Employee Commuting.

Breaking down the FY2024 emissions, Scope 2 emissions, which constitute the largest share (93.14%) of total emissions at 1,493.55 tCO₂e, decreased by 8.27% compared to FY2023. This is primarily attributed to electricity consumption from machinery usage in manufacturing, where operational refinements played a key role in enhancing efficiency. Scope 1 emissions, recorded at 32.78 tCO₂e, saw a significant reduction of 17.78%, largely driven by controlled fuel usage, with company transport being the primary contributor to direct emissions.

Meanwhile, Scope 3 emissions amounted to 77.23 tCO₂e, representing 4.82% of total emissions. These emissions were derived solely from business travel and employee commutes, in line with the initial data collection requirements set by the Bursa Sustainability Reporting Guide (3rd edition). The Group's focus on expanding its Scope 3 reporting demonstrates its growing commitment to understanding and managing indirect emissions across the value chain.

While FY2023 experienced a peak in emissions at 1,708.10 tCO₂e, largely due to increased production demands, the Group has since demonstrated improved control over emission sources. Compared to FY2022, when total emissions were 1,649.45 tCO₂e, the steady decline by FY2024 highlights the effectiveness of ongoing sustainability measures and process innovations.

Looking ahead, the Group is committed to further enhancing its sustainability performance by leveraging new technologies, refining operational workflows, and engaging stakeholders in its decarbonisation journey.

Waste Management

As part of our commitment to responsible environmental stewardship, we have initiated formal tracking and reporting of our waste management practices in FY 2024. This marks an important step towards establishing a baseline for future improvements in waste reduction, recycling, and overall sustainability performance.

During the reporting year, the Group recorded a total directed waste disposal of 97.07 metric tonnes, consisting entirely of non-scheduled domestic waste. While this represents the first year of measurement, it provides valuable insights into our waste generation patterns and will serve as a foundation for developing more effective waste management strategies.

We also recognise the importance of recycling efforts. Plastik STC Sdn Bhd has undertaken small-scale plastic recycling initiatives; however, these activities were not formally recorded. Moving forward, we aim to enhance waste segregation practices, improve data collection on recyclable materials, and explore opportunities to minimise waste at the source.

Looking ahead, the Group is committed to adopting a structured waste management framework, focusing on waste reduction, recycling expansion, and responsible disposal methods. This will align with our broader sustainability objectives while ensuring compliance with environmental regulations.

Environmental Compliance

The Group underscores its unwavering commitment to mitigating environmental impacts by adhering to global standards and local regulations. Our proactive approach focuses on minimising environmental harm while continuously enhancing operational efficiency across all stages of our business activities.

As part of this commitment, we strictly comply with the **Restriction of Hazardous Substances (RoHS) directive**, a critical initiative aimed at reducing the use of hazardous materials in our products. By doing so, we help mitigate significant environmental risks associated with the entire lifecycle of our products, from manufacturing to disposal.

Notably, the Group achieved zero instances of non-compliance for three consecutive years FY2024, FY2023, and FY2022, with no reports or penalties recorded. This flawless compliance record reflects our dedication to responsible operations and sustainable practices. Moving forward, we remain committed to upholding this high standard by ensuring continued compliance and minimising environmental risks.

SOCIAL

Employment, Diversity and Equal Opportunity

The Group is steadfast in its commitment to fostering diversity and equal opportunities, ensuring a work environment free from discrimination based on gender, age, or ethnicity. As a forward-thinking employer, we believe that diversity not only enriches our organisational culture but also drives innovation by introducing a wide spectrum of ideas, talent, skills, and experiences.

Our Board of Directors reflects this commitment, emphasising critical qualities such as character, experience, skill, and competence, irrespective of gender. In line with our ongoing efforts to promote gender diversity, we proudly maintain a 33% female representation on the Board.

As of FY 2024, the composition of the Board of Directors is as follows:

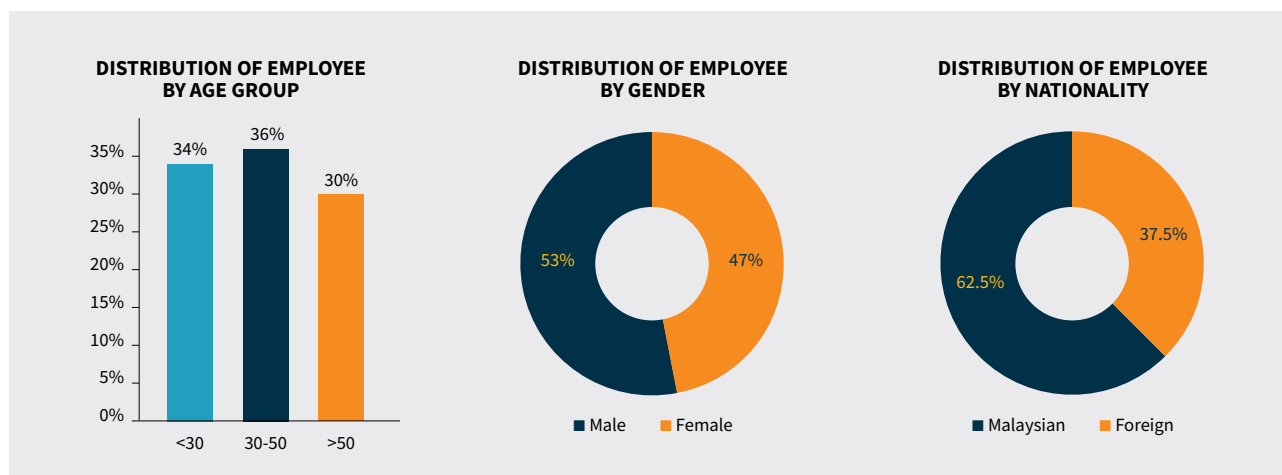
Details	Female	Male
Number of Members of the Board of Directors	2	4

The Group's Board of Directors comprises Malaysian nationals from diverse age groups, with one (1) member between the ages of 30 and 50 and five (5) members over 50. This balanced representation, in terms of both gender and age, demonstrates the Group's commitment to cultivating an inclusive leadership framework. By integrating varied perspectives and extensive experience, the Board is well-positioned to provide strategic guidance and drive long-term business success.

SUSTAINABILITY STATEMENT

(CONT'D)

In FY2024, the Group reported a total workforce of 156 employees, with the majority aged between 30 and 50 years, reflecting the prevalence of experienced professionals in this age range who are actively pursuing career advancement. Notably, female representation increased from 42% in FY2023 to 47% in FY2024, underscoring the Group's ongoing efforts to promote gender equity by prioritising the recruitment of women, particularly for management and administrative roles. Although our workforce remains predominantly male due to the nature of the industries in which we operate, this progress highlights our commitment to fostering a more balanced and inclusive work environment. The following charts illustrate the Group's obligations in managing the diversity of employees:



In line with our focus on supporting local employment, we recorded a slight increase in the proportion of Malaysian employees in FY2024 compared to FY2023. This reinforces the Group's dedication to hiring local talent and contributing to national employment initiatives. Foreign employees primarily serve in operator roles across our manufacturing and production operations.

Additionally, we remain dedicated to offering fair and competitive compensation by benchmarking our salary structures and benefits against industry standards. This approach ensures that we attract and retain a diverse, talented, and motivated workforce while nurturing an inclusive workplace culture. The following charts further illustrate how the Group manages and nurtures diversity across its workforce.

Types of Benefits	Description
Allowances	Outstation allowance, shift and meal allowance
Healthcare	Medical Benefits, Hospitalisation Benefits
Fringe Benefits	Mileage reimbursement, company car
Paid Leave Entitlement	Annual leave, medical leave, maternity leave, hospitalisation leave, compassionate leave, congratulatory leave, special leave (attending training courses/seminars/convention), industrial accident leave

Labour Practice & Standards

The Group remains devoted to fostering a supportive and equitable work environment that emphasises employee well-being, professional development, and adherence to high labour standards. In FY2024, we made significant progress in elevating labour practices, maintaining ethical employment standards, and promoting continuous learning through targeted training programs.

During the year, the Group dedicated 612.8 hours of training, averaging 3.93 hours per employee, with a total investment of RM40,575. These efforts underscore our proactive approach to skill development, equipping employees with the necessary competencies to excel in their roles while fostering a culture of continuous improvement. Training topics encompassed a broad range of areas, including technical skills development, regulatory compliance, leadership and personal development, sustainability and governance. This comprehensive approach reflects our strong focus on responsible governance, sustainability, and operational excellence.

SUSTAINABILITY STATEMENT

(CONT'D)

Consistent with our employment strategy, we maintained a 100% permanent workforce, with no contract or temporary staff employed in FY2024. This approach is rooted in our belief that long-term job security enhances workforce stability and engagement, leading to improved performance and loyalty. Additionally, the Group recorded a low turnover rate of four (4) employees, indicative of a stable and supportive workplace environment that retains talent and minimises attrition.

Upholding human rights is integral to our labour practices. Our commitment to fairness, dignity, and respect for all employees was reflected in zero recorded complaints concerning human rights violations in FY2024. This outcome highlights our dedication to ethical labour practices, robust grievance mechanisms, and adopting a workplace culture grounded in inclusivity and respect.

Our holistic approach to labour management aligns with industry best practices and ensures that we uphold the highest standards in employee welfare, rights, and development. These initiatives not only enhance employee satisfaction and engagement but also contribute to greater operational efficiency, ultimately driving the Group's long-term success.

Occupational Health and Safety

Upholding the safety and well-being of our employees is a top priority, reflecting our commitment to safeguarding their welfare. Since 2003, we have upheld a comprehensive Health and Safety Policy aimed at creating a safe and healthy working environment for all. Recognising the critical importance of compliance with the Occupational Health and Safety Act and relevant legislation, we remain persistent in meeting these obligations diligently. Our policy underscores the shared responsibility of all employees, encouraging adherence to safety procedures not only for personal well-being but also for the collective safety of colleagues. This approach fosters a workplace culture built on mutual care and safety.

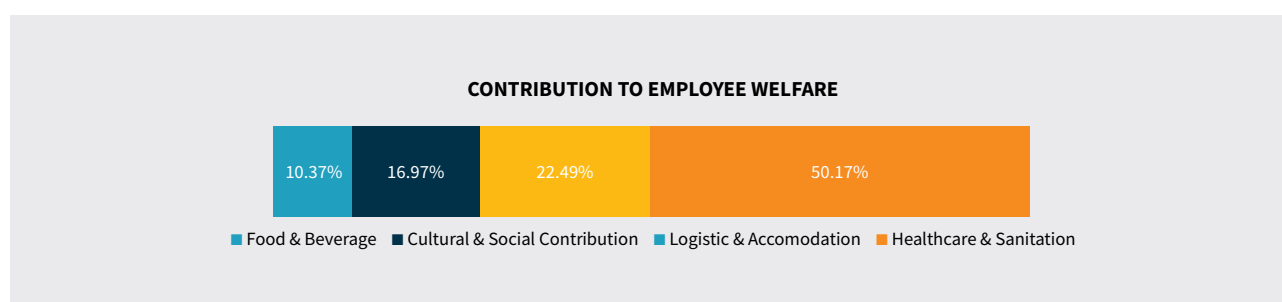
We are pleased to report zero incidents of fatalities, injuries, near-misses, or non-compliance with Occupational Health and Safety regulations in FY2024. To further strengthen our occupational safety framework, we conducted targeted training sessions attended by 25 employees, covering essential topics such as Occupational Safety and Health (OSH) and Environmental, Safety, and Health (ESH) legal requirements. The total training hours amounted to 200 hours.

Our proactive stance on occupational safety, combined with continuous monitoring and improvement, demonstrates our unwavering efforts to maintaining a safe workplace. Looking ahead, we aim to sustain and build upon this positive record, ensuring that health and safety remain integral to our operations.

Local Communities

Our Contribution to Internal Communities

To foster employee well-being and support a positive work environment, the Group allocated a total of RM113,829.78 across various welfare initiatives. The chart below illustrates the distribution of expenses across key categories, including healthcare, sanitation, cultural contributions, logistics, and food and beverage:



Recognising the importance of cultural celebrations in strengthening employee engagement, the Group allocated RM19,320.10 to cultural and social contributions. This included expenditures on festive gifts such as red packets and oranges, symbolising prosperity and goodwill, as well as supporting events that promote inclusivity and unity among employees.

Beyond cultural contributions, the Group prioritised healthcare and sanitation, reflecting its ongoing dedication to safeguarding the health and safety of its workforce. A significant portion of the welfare expenditure, amounting to RM57,106.69 (50.17% of total welfare spending), was directed towards healthcare and sanitation efforts. These initiatives included providing essential healthcare support, maintaining high standards of workplace hygiene, and ensuring access to sanitation facilities.

SUSTAINABILITY STATEMENT

(CONT'D)

Additionally, RM11,800.80 (10.37%) was allocated to food and beverage provisions for special occasions and light refreshments, promoting a welcoming and engaging workplace atmosphere during events and gatherings. Furthermore, logistic and accommodation support accounted for RM25,602.19 (22.49%), underscoring the Group's effort to facilitate smooth business operations while ensuring employee convenience and comfort.

The Group's ongoing support to creating a supportive and inclusive working environment. By investing in various welfare initiatives, the Group aims to enhance employee satisfaction, well-being, and engagement, thereby fostering a cohesive and motivated workforce.

Our Contribution to External Communities

The Group remains unwavering in its pursuit to Corporate Social Responsibility ("CSR"), focusing on external initiatives that directly contribute to social development and community well-being. We believe that by fostering partnerships and engaging with local organisations, we can play an active role in promoting positive societal outcomes and sustainable progress.

In FY2024, the Group contributed a significant portion to various community-oriented initiatives, reinforcing our commitment to supporting activities that have a meaningful social impact. These contributions included sponsorships for events such as the Ariya Charity Food & Family Fair and a golf tournament organised by the Malaysian Special Tooling and Machining Association. The Ariya Charity Food & Family Fair promotes social welfare by providing essential support to underserved families in the community, fostering a spirit of generosity and inclusion. Meanwhile, the sponsorship for the golf tournament facilitated networking and collaboration among industry leaders, indirectly supporting economic development and skill-building within the local manufacturing sector.

Through these efforts, the Group not only strengthens its ties with the local community but also plays a vital role in enhancing social cohesion, promoting charitable giving, and contributing to the cultural vitality of the region. Our CSR strategy reflects a focused approach, ensuring that resources are allocated towards initiatives that yield tangible, long-term benefits for society. By prioritising strategic partnerships and community-driven programs, we aim to create an environment where businesses and communities can thrive together.

As we move forward, the Group remains committed to identifying opportunities that align with our CSR objectives and stakeholder expectations, ensuring that our efforts continue to foster sustainable development and uplift the communities in which we operate.

Customer satisfaction is our top priority, guiding every aspect of our service delivery and reinforcing our commitment to product excellence. To maintain this focus, our subsidiaries implement the Customer Complaint & Satisfaction Procedure, which is designed to minimise complaints and rejections, foster continuous quality improvement, and systematically measure customer satisfaction levels.

H&L High-Tech Sdn Bhd and Plastik STC Sdn Bhd conduct annual Customer Satisfaction Surveys to actively engage customers and gather valuable feedback on their experiences. In the most recent survey, we are pleased to report a 100% response rate. H&L High-Tech Sdn Bhd achieved an overall satisfaction score of 86%, while Plastik STC Sdn Bhd reported an impressive score of 90.9%. These strong results reflect the success of both subsidiaries in delivering exceptional pre- and post-sale services, maintaining responsive communication channels, clearly communicating lead times, understanding customer needs, and ensuring ease of cooperation.

These surveys, alongside other tools such as:

- Customer Complaints,
- Direct Communication channels, and
- Customer Satisfaction Surveys,

serve as integral mechanisms for monitoring and evaluating customer satisfaction. Collectively, they provide a comprehensive understanding of customer expectations and experiences, enabling us to refine our processes and address areas for improvement effectively.

Moreover, no complaints were received for two consecutive years for H&L High-Tech Sdn Bhd, underscoring our unwavering commitment to quality and customer-centric practices. Plastik STC Sdn Bhd, on average, received only one complaint per month in FY2024, demonstrating consistent customer satisfaction and a proactive approach to resolving concerns promptly.

SUSTAINABILITY STATEMENT

(CONT'D)

All customer complaints are meticulously recorded and reviewed. The Quality Assurance team rigorously assesses each complaint to determine whether an internal investigation or a formal Corrective Action Request (CAR) is warranted. For cases requiring corrective measures, a CAR number is issued and logged in the Customer Complaint Register, ensuring thorough tracking and resolution.

This comprehensive approach to customer satisfaction reinforces our dedication to understanding customer needs, improving service quality, and fostering long-term trust and loyalty.

OUR WAY FORWARD

Moving forward, we are committed to enhancing our sustainability performance by actively reducing our environmental footprint. Our efforts will focus on optimising energy efficiency, minimising water consumption, and implementing more effective waste management practices. At the same time, we remain dedicated to the well-being of our stakeholders, ensuring that our sustainability journey benefits both our business and the communities we serve.

We strive to build resilience by integrating conservation efforts into our operations and upholding transparency in our reporting. Our commitment extends beyond compliance—we aim to drive meaningful change by fostering a culture of environmental responsibility, ethical leadership, and social impact. By embedding sustainability into our corporate values and decision-making processes, we reinforce our long-term vision of "working towards a more sustainable future".

SUSTAINABILITY STATEMENT

(CONT'D)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management/Executive	Percentage	0.00
Non-executive/General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	7,500.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	5
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management/Executive Under 30	Percentage	0.00
Management/Executive Between 30-50	Percentage	16.67
Management/Executive Above 50	Percentage	83.33
Non-executive/General Staff Under 30	Percentage	34.00
Non-executive/General Staff Between 30-50	Percentage	36.00
Non-executive/General Staff Above 50	Percentage	30.00
Gender Group by Employee Category		
Management/Executive Male	Percentage	66.67
Management/Executive Female	Percentage	33.33
Non-executive/General Staff Male	Percentage	53.00
Non-executive/General Staff Female	Percentage	47.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	66.67
Female	Percentage	33.33
Under 30	Percentage	0.00
Between 30-50	Percentage	16.67
Above 50	Percentage	83.33
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,929.65
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	25
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
All Staff	Hours	614
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
All Staff	Number	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	76.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	10.890000

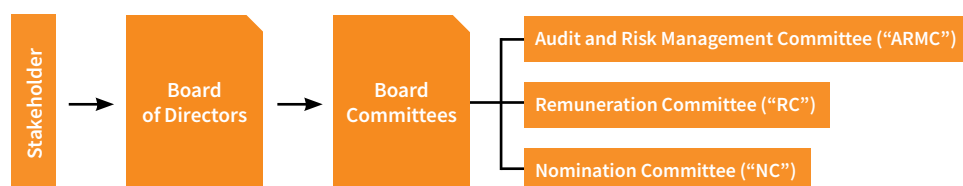
CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Kumpulan H & L High-Tech Berhad (“KHLHT” or “the Company”) is committed to uphold the high standards of corporate governance (“CG”) through the Company and its subsidiaries (“the Group”) with the ultimate objective of realising long-term shareholder value while taking into consideration the interest of other stakeholders.

This CG Overview Statement sets out the extent to which the Company has applied the practices encapsulated in the Principles of the Malaysian Code on Corporate Governance (“MCCG”) except where stated otherwise, during the financial year ended 31 October 2024 (“FY2024”).

Details of the Group’s application of each practice sets out in the MCCG is disclosed in the Corporate Governance Report, which is available together with this Report in Bursa Malaysia Securities Berhad (“Bursa”)’s website and the Company’s website at www.hlhightech.com.

GOVERNANCE FRAMEWORK



ADOPTION OF CG CODE

The Board considers that the Company has adopted the CG practices and applied the main principles of the CG Code for FY2024 except:

- Practice 1.3 as Chairman and CEO are the same person.
- Practice 5.10 (Gender Diversity), that although the Company has fulfilled the threshold of 30% but the Company does not have specific policies and target on Gender Diversity.
- Practice 8.2 as the Company did not disclose on a named basis the top five (5) senior management’s remuneration in bands of RM50,000.
- Practice 13.3 as the Company did not facilitate the remote shareholders’ participation at the AGM due to holding the physical Annual General Meeting (“AGM”) on 18 April 2024.
- Practice 13.5 as the Company did not convene its AGM virtually, the shareholders could not participate in the AGM remotely. Nevertheless, the shareholders were given sufficient opportunity to pose questions during the AGM and received meaningful responses from the Board and Management.

BOARD COMPOSITION

As at 31 October 2024

By Category	By Gender	By Tenure of Independent Non-Executive
<ul style="list-style-type: none"> • Two (2) out of six (6) or 33.33% are Executive • Four (4) out of six (6) or 66.67% are Independent Non-Executive 	<ul style="list-style-type: none"> • Two (2) out of six (6) or 33.33% Female • Four (4) out of six (6) or 66.67% Male 	<ul style="list-style-type: none"> • Four (4) out of four (4) or 100% are less than nine (9) years
Change to the composition of the Board during FY2024		
<ul style="list-style-type: none"> • One (1) Independent Non-Executive Director was appointed during FY2024. 		

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS

The Board is aware of the importance of good corporate governance and are guided by the Corporate Governance Guide published by Bursa Malaysia on the following:

- Board Leadership, Roles and Responsibilities
- Directors' Core Areas of Expertise
- Board Evaluation
- Board Effectiveness Review Cycle
- Appointment to the Board, Succession Planning and Diversity

Meeting Attendance in FY2024

The meeting attendance of our Board and Board Committees members in FY2024, is as set out in the table below:

Number of Meetings held in FY2024	Board	ARMC ¹	RC ²	NC ³
Executive Directors				
Tan Lye Huat	5 / 5 (100%)	N/A ⁴	N/A ⁴	N/A ⁴
Tan Sook Yee	5 / 5 (100%)	N/A ⁴	N/A ⁴	N/A ⁴
Independent Non-Executive Directors				
Lim Hock Aun	4 / 5 (80%)	4 / 5 (80%)	1 / 1 (100%)	1 / 1 (100%)
Yoon Hin Yeow	5 / 5 (100%)	5 / 5 (100%)	1 / 1 (100%)	1 / 1 (100%)
Thong Chee Thim	5 / 5 (100%)	5 / 5 (100%)	1 / 1 (100%)	1 / 1 (100%)
Mak Wai Chin (Appointed on 27 December 2023)	4 / 4 (100%)	4 / 4 (100%)	N/A ⁴	N/A ⁴

Notes:

¹ ARMC: Audit and Risk Management Committee

² RC: Remuneration Committee

³ NC: Nomination Committee

⁴ N/A: Not applicable

The Board is satisfied with the level of time commitment given by the Directors toward fulfilling their roles and responsibilities as Board and/or Board Committee members.

Board Responsibilities

Board Charter and Board Committees

The Board is responsible for the overall oversight and management of the Group. The Board has established clear functions reserved for the Board and those delegated to Management to enhance accountability. There is a formal schedule of matters reserved for the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include inter-alia, quarterly and annual financial statements for announcement, investment and divestment, as well as monitoring of the Group's financial statements and operating performance. Such delineation of roles is clearly set out in the Board Charter ("Charter"), which serves as a reference point for the Board activities. The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The Board is committed to take full responsibility for the overall corporate governance of the Group. In performing its duties, the Board is guided by the Charter that sets out amongst others its roles, composition, responsibilities, powers, Board Committees and Board meeting. The key elements of governance principles embedded in the Charter regulate the Board's conduct and guide the business strategic initiative of the Group. The Charter is available on the Company's website at www.hllhightech.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

Board Charter and Board Committees (cont'd)

The Board has established three (3) Board Committees, namely ARMC, NC and RC that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advice. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed periodically in accordance with the needs of the Company and taking into account the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees' duties and responsibilities. The Chairmen of the various Board Committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

Company Secretaries

The Board is supported by Company Secretaries, one of whom is a member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), while the other is a member of the Malaysian Institute of Accountants (MIA). The appointment of the Company Secretaries is based on the capability and proficiency as determined by the Board. The Directors have unrestricted access to the advice and services of the Company Secretaries to enable the Directors to discharge their duties effectively. The Company Secretaries ensure that the Board is regularly updated on their obligations under relevant regulatory requirements such as Main Market Listing Requirements ("MMLR") of Bursa, Companies Act 2016 ("CA 2016"), MCGG and other relevant guidelines and rules issued from time to time.

The Company Secretaries also attend all Board, Board Committees and general meetings, and ensure that deliberations at the meetings are accurately minuted and kept in the minutes books and subsequently communicated to the relevant party for necessary actions. Such minutes of meetings are confirmed by the Board and the respective Board Committees and signed by the Chairman of the meeting.

Information and Support for Directors

The Board papers comprising due notice of issues to be discussed and supporting information and documentations were provided to the Board on a timely manner. This is to ensure that the Directors are given sufficient time to read the Board papers and seek clarification they may need from Management or to consult the Company Secretaries or independent advisers before the Board Meetings, if necessary. This enables the Directors to discuss the issues effectively at the Board meetings. The Board has full and unrestricted access to all information within the Company to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making and meaningful discharge of its duties. All Directors have direct access to the advice and services of the Company Secretaries who are responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with. The Chairman of the Board Committees, namely, the ARMC, RC and NC brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings. When necessary, all Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense to enable the Directors to discharge their duties with adequate knowledge on the matters being deliberated.

Code of Ethics and Conduct

Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standards throughout the Group. In this respect, the Board has formalised a Code of Ethics and Conduct, setting out the standards of conduct expected from the Directors and employees to inculcate good ethical conduct. The Board recognises the importance of adhering to the Code of Ethics and Conduct and has taken measures to put in place a process to ensure its compliance. The same is available on the Company's website at www.hlhightech.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

Whistleblowing, Anti-Bribery & Anti-Corruption and Conflict of Interest Policies

The Board is committed to achieve and maintain high standards of corporate governance practices across the Group. The Board has formalised a Whistleblowing Policy, with the aim of providing an avenue for raising concerns relating to possible breaches of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. This Policy was further revised and approved by the Board on 20 December 2024. Further details pertaining to the Whistleblowing Policy can be found at the Company's website at www.hlhightech.com.

The Company has adopted the Group's Anti-Bribery and Anti-Corruption Policy which provides the principles, guidelines and requirements on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within the Group. The Board has reviewed and assessed the effectiveness of the Policy and approved it on 20 December 2024. The said Policy is available on the Company's website at www.hlhightech.com.

Conflict of Interest Policy

In line with the amendments of the MMLR which covers the area of potential Conflict of Interest ("COI") of Directors and Key Senior Management, the Board has adopted the Conflict of Interest Policy on 27 December 2023. The said Policy is available on the Company's website at www.hlhightech.com.

Board Composition

The Board recognises the importance of having a diverse Board in terms of age, ethnicity and gender as this provides the necessary range of perspectives, experience and expertise in bringing value to the Company and achieving effective stewardship. The present Board consists of six (6) members, comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors. This composition fulfills the requirements as set out in Paragraph 15.02 of the MMLR, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent. With this existing composition, the Board has further fulfilled Practice 5.2 of MCCG; whereby at least half of the Board's composition comprises Independent Directors.

The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as engineering, entrepreneurship, finance, taxation, accounting and audit, legal and economics. The Executive Directors are responsible for the making of the day-to-day business and operational decisions and implementation of Board policies. There is a clear division of duties and responsibilities amongst them in order to maintain a balance of control, power and authority within the Management.

Independence

The Independent Non-Executive Directors bring objective and independent views, advice and judgment on interest, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

The Board is satisfied that its current size and composition reflects an appropriate balance of Executive and Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.

Tenure of Independent Directors

As at 31 October 2024, all independent directors have served on the board for less than nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

Diversity on Board and Senior Management

The existing composition of the Board represents a good mix of knowledge, skills and experience to ensure that the Group is competitive within its industry. The Board, through the NC will consider appropriate targets for appointment as Board members in terms of skills, experience, gender, ethnicity, time commitment and age and will take required measures to meet those targets from time to time if deemed necessary to enhance the effectiveness of the Board.

Currently, the Board composes four (4) males and two (2) females to ensure a good mix of gender as well. This composition and combination of different skills ensure an effective Board decision-making process and enable the Board to efficiently lead and control the Group. The optimal size would enable effective oversight, delegation of responsibilities and productive discussions amongst members of the Board.

The Board has no specific policy on diversity pertaining to gender, age and ethnicity for candidates to be appointed to the Board. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. The NC, will however continue to take steps to ensure that the gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.

Nomination Committee

The NC conducted an assessment of the performance of the Board as a whole, the Board Committees and individual Directors, based on a self and peer assessment approach. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board has considered and approved the recommendations on the re-election of Directors at the Company's forthcoming AGM.

In accordance with the Company's Constitution (the "Constitution"), all Directors who are appointed by the Board to fill a casual vacancy are subject to election by shareholders of the Company at the first AGM after their appointment. Clause 76(3) of the Constitution also provides that one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3) then the number nearest to one-third (1/3), shall retire from office at the conclusion of the AGM in every year provided always that all Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

The re-election of Directors at the AGM is subject to prior assessment by the NC pursuant to the Fit and Proper Policy. For the forthcoming AGM, the following Directors will be retiring by rotation, and being eligible, offer themselves for re-election:

- Mr Tan Lye Huat
- Mr Yoon Hin Yeow

The Board had also via the NC on 7 February 2025, conducted an assessment on the fit and proper including any COI, if any, of the retiring directors who seek re-election at the forthcoming AGM namely, Mr Tan Lye Huat and Mr Yoon Hin Yeow, pursuant to the Fit and Proper Policy and Constitution adopted by the Company. The NC agreed that they met the criteria as prescribed in the Fit and Proper Policy as well as Paragraph 2.20A of MMLR on character, experience, integrity, competence and time commitment to effectively discharge their duties as Directors. Therefore, the Board recommended to shareholders their re-election at the forthcoming AGM of the Company.

A brief description of the profile of the above Directors and their respective attendance in Board Meetings are presented in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

Nomination Committee (cont'd)

Full details of the NC's duties and responsibilities are stated in its Term of Reference which is available on the Company's website at www.hlhightech.com. The NC comprises exclusively Independent Non-Executive Directors and is chaired by an Independent Director. The NC meets as and when required, at least once a year.

During the financial year ended 31 October 2024, the NC carried out the following activities:

- i. Reviewed the training needs/training programmes for the Board and facilitated Board induction and training programmes;
- ii. Assessed on an annual basis the effectiveness and performance of the Board as a whole, the Board Committees, as well as the contribution/performance of each individual Director, including Non-Executive Director(s) and Executive Director(s);
- iii. Reviewed and recommended proposed candidate as the Board member;
- iv. Assessed the independence of the Independent Directors; and
- v. Reviewed and recommended the re-election of Directors who are subject to retirement at the AGM.

Evaluation of Board, Board Committees and Individual Directors

The NC performs a Board self-evaluation annually to evaluate the performance of the Board, Board Committees and individual Directors, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completed a detailed questionnaire in the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairmen, as well as the Committee's performance against its Terms of Reference.

The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly, as part of the Company's ongoing corporate governance practices. Based on the assessment carried out during the FY2024, the NC had concluded the following:

- (a) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision-making process.
- (b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively.
- (c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
- (d) The Board and Board Committees had contributed positively to the Company and its subsidiaries and were operating in an effective manner.
- (e) The performance of the Board Committees was found to be effective.

The Board is mindful of the importance for its members to undergo continuous training to be apprised of changes to regulatory requirements and the impact of such regulatory requirements on the Group. All Directors have attended the Mandatory Accreditation Programme ("MAP") and MAP II as required by the MMLR. The Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

The Company Secretaries circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board on these updates, where applicable. The Finance Advisor and External Auditors also brief the Board members if there are any changes to the Financial Reporting Standards that affect the Group's financial statement during the financial year under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (cont'd)

Evaluation of Board, Board Committees and Individual Directors (cont'd)

The Board has through the NC assesses the training needs of each Director on an annual basis by determining areas that would strengthen their contribution to the Board. From the assessment, the NC is satisfied that the Directors have attended adequate trainings to enable them to discharge their duties.

During the FY2024, the courses/seminars attended by the Directors include:

Name of Directors	Courses/Seminars attended	Date
Tan Lye Huat	• Mandatory Accreditation Programme Part II: Leading for Impact	24 – 25 June 2024
Tan Sook Yee	• MSPO Awareness & Internal Audit: Basic First Aid and Cardio Pulmonary Resuscitation	22 April 2024
	• Accelerating MedTech Sustainability	6 May 2024
	• Mandatory Accreditation Programme Part II: Leading for Impact	29 – 30 May 2024
	• ISO 13485: 2016 Internal Audit Training	21 June 2024
Lim Hock Aun	• Mandatory Accreditation Programme Part II: Leading for Impact	29 – 30 May 2024
Thong Chee Thim	• Mandatory Accreditation Programme Part II: Leading for Impact	24 – 25 June 2024
Yoon Hin Yeow	• Mandatory Accreditation Programme Part II: Leading for Impact	24 – 25 June 2024
Mak Wai Chin	• Mandatory Accreditation Programme Part II: Leading for Impact	24 – 25 June 2024

Remuneration

Remuneration Policy

The Board recognises the need to establish a fair and transparent Remuneration Policy with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key senior management. On a yearly basis, the RC reviewed and recommended to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to approval by the shareholders at the Company's AGM. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

In making its recommendation, the RC considered the principles set out in the Remuneration Policy. The remuneration was structured to align rewards to corporate and individual performances besides adequately compensating the Directors for risks and complexities of the duties and responsibilities they assumed.

Remuneration Committee

The RC, established by the Board, is responsible for setting the policy framework and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned. Directors do not participate in discussions of their individual remuneration. All RC members are Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration (cont'd)

Remuneration Committee (cont'd)

The responsibilities of RC are as follows:

- (i) Support the Board in actively overseeing the design and operation of the Company's remuneration system;
- (ii) Review and recommend to the Board on the remuneration of Non-Executive Directors, particularly on whether the remuneration remains appropriate to each Director's contribution, by taking into account the level of expertise, commitment and responsibilities undertaken;
- (iii) Review and recommend to the Board on the total individual remuneration package for Executive Directors and senior management personnel including, where appropriate, bonuses and incentive payments within the terms of the agreed remuneration policy and based on individual performance; and
- (iv) Provide clarification to shareholders during general meetings on matters pertaining to remuneration of Directors and senior management as well as the overall remuneration framework of the Company.

Remuneration of Directors pursuant to the respective service contracts with the Company and its subsidiaries, the details of individual Directors' remuneration are as follows:

Remuneration to be disclosed on a named basis:

Group Level	Fee / Salaries and other emoluments (RM '000)	Bonus (RM '000)	EPF (RM '000)	Allowance / Benefit in kind (RM '000)	Total (RM '000)
Independent Non-Executive Directors					
Lim Hock Aun	39	-	-	4	43
Yoon Hin Yeow	20	-	-	5	25
Thong Chee Thim	20	-	-	5	25
Mak Wai Chin	17	-	-	4	21
Executive Directors					
Tan Lye Huat	732	108	110	28	978
Tan Sook Yee	216	49	37	10	312

Company Level	Fee / Salaries and other emoluments (RM '000)	Bonus (RM '000)	EPF (RM '000)	Allowance / Benefit in kind (RM '000)	Total (RM '000)
Independent Non-Executive Directors					
Lim Hock Aun	39	-	-	4	43
Yoon Hin Yeow	20	-	-	5	25
Thong Chee Thim	20	-	-	5	25
Mak Wai Chin	17	-	-	4	21

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

ARMC comprises exclusively of Independent Non-Executive Directors.

Mr Lim Hock Aun is the Chairman since 21 October 2020.

The ARMC's composition and its summary activity are set forth in the Audit Committee Report of this Annual Report. Full details of the Committee's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website at www.hlightech.com.

II. Risk Management and Internal Control Framework

The Board recognises the importance of maintaining a sound internal control system covering risk management and the financial, operational and compliance controls to safeguard shareholders' investment and the Group's assets. The Board acknowledges that it is responsible for the Group's system of internal control and risk management for the continuing review of its adequacy, effectiveness and integrity. Additionally, the Group Executive Chairman and Managing Director together with the Finance Advisor have given assurance to the Board that the Group's risk management and internal control systems are operating adequately and effectively to meet the Group's objectives.

The internal control system is designed to cater to the Group's needs and manage the risks to which it is exposed. It should be noted that the system of internal control is designed to manage rather than eliminate the risk of failure to achieve the business objectives of the Group and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is assisted by the ARMC to ensure the risk and control framework is embedded into the culture, processes and structure of the Group. Further details of the Group's state of risk management and internal control systems are reported in the Statement of Risk Management and Internal Control of this Annual Report. A risk profile of the Group has been compiled to help the Board and senior management prioritise their focus on areas of high risk. The senior management is responsible for identifying, evaluating, managing and reporting on significant risks on an ongoing basis faced by the Group in its achievement of objectives and strategies. Significant risk matters are brought to the attention of the Executive Directors, and if necessary, are also discussed at Board meetings.

Internal Audit Functions

The Group has appointed an established external professional Internal Audit firm, namely Silver Ocean Governance Sdn Bhd, who reports to the ARMC and assists the ARMC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. Internal audit provides an independent assessment of the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

The scope of work covered by the internal audit functions during the financial year, a summary of activities carried out, including its observations and recommendations, are provided in the Statement on Risk Management and Internal Control and Audit Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Anti-Bribery and Anti-Corruption

Our core values and behaviours drive our culture and conduct throughout the Group. We have a zero-tolerance approach to misconduct of any kind and will take stern disciplinary action, up to and including immediate dismissal, in the event of a breach. Our Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") is clear in our commitment not to tolerate bribery or corruption in any form. Our ABAC Policy is managed by the compliance officer and our compliance manager oversees the progress of implementation and compliance of the ABAC Policy.

The Group's ABAC Policy is available on the Company's Investor Relations website at www.hlhightech.com.

Statement of Directors' Responsibilities for Preparing the Annual Audited Financial Statements

Our Directors are required by CA2016 to prepare financial statements for each financial year which give a true and fair view of the Company's state of affairs, results and cash flows. Our Directors are of the opinion that the Group uses appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates while preparing the financial statements for the financial year ended 31 October 2024, and that the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards and the provisions as stated in the CA2016 and the MMLR.

Our Directors are satisfied that the Group keeps accounting records which disclose with reasonable accuracy of the financial position of the Group and enable proper financial statements to be prepared. They have also taken the necessary steps to ensure that appropriate systems are in place to safeguard the assets of the Group, and to detect and prevent fraud as well as other irregularities. The systems, by their nature can only provide reasonable and not absolute assurance against material misstatements, loss and fraud.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Shareholders

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communication are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa, relevant announcements and circulars. The Board is committed in providing accurate, useful and timely information about the Group, its business and its activities. Realising the importance of timely and thorough dissemination of material information to the shareholders, investors and the public at large, the Company maintains an open communication policy with its shareholders, investors and public at large and welcomes feedback from them. The Group's information is disseminated through various disclosures and announcements made to Bursa Securities. This information is also published on the Company's website at www.hlhightech.com.

The Company's website is continuously updated to provide timely and accurate information to the public and investors. The notice of general meetings, proxy form, Annual Report, Circulars to shareholders and summary of key matters discussed at the AGM are also published on the Company's website. The Minutes of the AGM was also published on the Company's website no later than 30 business days after the conclusion of the AGM.

Notice of General Meeting

The Board recognises the rights of shareholders. In order to continue encouraging shareholders' participation in the general meetings, the Board would ensure that the Notice of AGM is sent to shareholders at least twenty-eight (28) days ahead of the date of the general meeting and to provide sufficient time and opportunities for shareholders to seek clarifications during general meetings on any matters pertaining to the issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the operational and financial performance of the Company.

The notice of the AGM is also published in a national newspaper. The notice would include explanatory statements for proposed resolutions to facilitate understanding and evaluation of issues involving the shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Attendance of Directors at General Meetings

The AGM is the key element of the Company's dialogue with its shareholders. During the AGM, shareholders are encouraged to ask questions about the resolutions being proposed, the Company's operations in general or the annual reports of the Company and of the Group. All the Directors, the Key Senior Management, the Company Secretaries and the External Auditors are present at the AGM to provide responses to questions from the shareholders.

The Chairman plays a vital role in fostering constructive dialogue between the Board and the shareholders. All the Board members are present at the meetings to address queries raised by the shareholders which are relevant to their areas of responsibility.

Voting at Annual General Meeting

The last AGM of the Company was held on 18 April 2024 with the appointment of a poll administrator and a scrutineer for the poll voting process. In accordance with the MMLR, the Board put all resolutions to vote by way of poll at the AGM and the results of the polling were made to Bursa Securities on the same day.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors is pleased to present the report on the Audit and Risk Management Committee and its activities for the financial year ended 31 October 2024 in compliance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad.

COMPOSITION

The Audit and Risk Management Committee (“ARMC”) comprises the following members, all of whom are Independent Non-Executive Directors. A summary of their respective attendance at the Audit and Risk Management Committee meetings held during the financial year is as follows:

MEMBERS AND MEETINGS ATTENDANCE

Name & Designation	Membership status	Attendance
Lim Hock Aun (<i>Independent Non-Executive Director</i>)	Chairman	4 / 5
Yoon Hin Yeow (<i>Independent Non-Executive Director</i>)	Member	5 / 5
Thong Chee Thim (<i>Independent Non-Executive Director</i>)	Member	5 / 5
Mak Wai Chin (<i>Independent Non-Executive Director</i>) (Appointed on 27 December 2023)	Member	4 / 4

The Chairman of the ARMC, Mr Lim Hock Aun, is a member of the Malaysian Institute of Accountants (“MIA”) and a member of the Institute of Chartered Accountants, England and Wales.

Mr Yoon Hin Yeow is also a member of MIA and member of the Chartered Institute of Management Accountants of the United Kingdom and the Institute of Singapore Chartered Accountants.

Thus, the Company has complied with Paragraph 15.09(1)(c)(i) of the MMLR.

REVIEW OF THE TERMS AND REFERENCE

The terms of reference (“TOR”) of the ARMC shall be reviewed periodically by ARMC and the Board, especially when there are changes to the MMLR, the Malaysian Code on Corporate Governance (as of 28 April 2021) and Companies Act 2016 or at least once every three (3) years.

The TOR for ARMC has been revised, approved and adopted by the Board on 27 December 2023. The revised TOR for ARMC enhanced the scope of the ARMC in identifying and review the conflict of interest in line with the amendments of the MMLR of Bursa Malaysia. The revised TOR is available on the Company’s website at www.hlhightech.com.

SUMMARY OF ACTIVITIES

During the financial year, the ARMC conducted its activities in accordance with its existing terms of reference, which included the review of the external auditors’ scope of work and the annual audit plan.

Five (5) meetings of the ARMC were held during the financial year ended 31 October 2024:

- At each of these ARMC’s meetings, the Group’s Finance Advisor was invited to brief the Committee on the financial reporting matters;
- The reviews of the Group’s quarterly and year-to-date unaudited financial statements were made before submission to the Board for their consideration and approval. During the respective Board meetings, the Chairman of the ARMC briefed the Board on issues raised in respect of the financial report and the recommendations of the ARMC thereon;
- Reviewed the Audit Completion Memorandum presented by Messrs Grant Thornton Malaysia PLT in respect of the financial year ended 31 October 2023;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

- d. During the review of the Group's twelve-month financial results, representatives of the External Auditors, Messrs Grant Thornton Malaysia PLT were invited to discuss the Group's financial statements for the financial year ended 31 October 2023. Management's response to all pertinent issues and findings had been raised and noted by the External Auditors during their examination of the said Group Accounts, together with recommendations in respect of the findings;
- e. Met up with the External Auditors without the presence of Executive Directors and Management;
- f. Reviewed the Audit Planning Memorandum presented by Messrs Grant Thornton Malaysia PLT in respect of the financial year ended 31 October 2024;
- g. Received an update on the Annual Transparency Report issued by Messrs Grant Thornton Malaysia PLT;
- h. Evaluated the performance and independence of the external auditors and made recommendations to the Board on their re-appointment and audit fees;
- i. Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report;
- j. Reviewed and confirmed with the Management that the Group did not enter into any related party transaction during the financial year;
- k. Discussed the proposed payment of interim dividend in respect of the financial year ending 31 October 2024;
- l. Reviewed and assessed the performance of the Internal Auditors; and
- m. Reviewed the revised TOR for ARMC, Conflict of Interest Policy and Enterprise Risk Management Policy and Framework.

The ARMC also reviewed, deliberated the internal audit reports presented and considered the significant findings of internal audit in the Group's operating subsidiaries through the review of internal audit reports tabled and management responses thereto and ensuring significant findings were adequately addressed by Management.

INTERNAL AUDIT FUNCTION

The Group's internal audit function had since November 2002 been outsourced to independent consultants, which are independent of its activities and operation and will report to the ARMC on the following:

- a. Undertakes the internal audit of the Group's operating units; ascertaining the extent of the units compliance with the established internal control procedures, policies and statutory requirements; highlighting the weaknesses and recommending improvements to the existing systems of controls;
- b. Assist in reviewing the adequacy and effectiveness of the Group's processes for controlling its activities;
- c. To review and appraise the soundness, adequacy and application of accounting, financial and other controls and promoting effective control in the Company and the Group at reasonable costs; and
- d. Periodically provide information on the status and results of the internal audit plan.

The ARMC reviewed the Internal Audit Report in respect of:

- The International Organisation for Standardisation (ISO) compliance certification audit carried out for ISO 13485 and ISO 9001 for the manufacturing segment;
- The MSPO compliance certification audit for the plantation segment; and
- Internal Control Review on Inventory Management.

The costs incurred for the Internal Audit function in respect of the financial year ended 31 October 2024 were RM55,161 only.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Statement on Risk Management and Internal Control (“This Statement”) is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The Malaysian Code on Corporate Governance (“MCCG”) requires the Board of Directors (“the Board”) to maintain a sound system of risk management and internal control to safeguard the Shareholders’ interests and the Group’s assets.

THE BOARD’S RESPONSIBILITIES

The Board is committed to establishing and maintaining a sound, effective and efficient system of enterprise risk management and internal control to safeguard shareholders’ investment and the Group’s asset.

The internal control system is designed to meet the Group’s particular needs and to manage the risks exposure.

The system includes financial controls, operational and compliance controls and risk management. Because of the limitations that are inherent in any system of internal control, the system is designed to manage the principal business risks that may impede the Group from achieving its business objectives, rather than eliminate the risk of failure to achieve corporate objectives. The system, by its nature, can only provide reasonable but not absolute assurance against any material misstatement or loss.

KEY ELEMENTS OF THE GROUP’S INTERNAL CONTROL

- Clearly defined delegation of responsibilities of the Board, Committees and Management of the Group including authorization levels for all aspects of businesses. Subsidiary companies have clear accountabilities to ensure appropriate risk management and control procedures are in place;
- Clearly documented internal procedures in the ISO 9001, where applicable, for its subsidiaries;
- Regular and comprehensive information provided to the Board of Directors and Management, covering operational and financial performance;
- Monitoring actual results against budget. Significant variances are investigated and followed up, and where necessary management actions are taken;
- Internal audit visits by outsourced internal auditors are to review and appraise the internal control system within the Group in accordance with the approved internal audit plan;
- The Group Executive Chairman and Managing Director provide briefing to the Board on significant changes in the business and external environment, which affect the operation of the Group at large;
- Where areas of improvement in the system are identified, the Board considers the recommendations made by the Audit and Risk Management Committee (“ARMC”) and the Management; and
- There is an ongoing process for identifying, evaluating and managing the significant risk faced by the Company.

The Board engages independent professional consultants from established firms to assist the Board in reviewing and appraising the internal control system within the Group.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board regularly reviews the Group’s key commercial and financial risks together with general risks relating to compliance with laws and regulations so that a reasonable level of assurance that the system of controls and operations is appropriate to the Group’s situation and that there is an acceptable level of risk throughout the Group’s businesses.

In light of the ‘Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers’ issued by Bursa Malaysia, the Board has re-evaluated its risk management practices to ensure that it is appropriate and continues to remain relevant to the Group’s requirements.

Terms of Reference for ARMC has been revised, approved and adopted by the Board on 27 December 2023. The revised Terms of Reference for ARMC covers the conflict of interest in line with the amendments of the MMLR of Bursa Malaysia and is available on the Company’s website at www.hlhightech.com. Additionally, a policy on Conflict of Interest was approved and adopted by the Board on 27 December 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

BOARD COMMENTARY

During the financial year, the results of findings by the internal audit function, including the recommended corrective actions, have been reported to the ARMC.

The Board is of the opinion that there were no material losses incurred during the financial year as a result of weaknesses in internal control. The ARMC considers the report from the internal audit function and comments from Management before making recommendation to the Board to strengthen the internal control system.

The Board has also received assurance from the Group Executive Chairman and Managing Director together with the Management that the Group's internal control and risk management system is operating adequately and effectively based on the internal controls implemented throughout the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guides ("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 for inclusion in the Annual Report.

Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the internal controls of the Group.

AAPG 3 does not require the External Auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Key Management thereon. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this Statement.

This Statement is made in accordance with the resolution of the Board of Directors dated 7 February 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to external auditors and its affiliates for the financial year ended 31 October 2024 were as below:

	Audit Fee RM	Non-Audit Fee RM
Listed Issuer	35,000	6,000
Group	135,000	6,000

2. MATERIAL CONTRACTS

During the financial year there were no material contracts entered into by the Company or its subsidiary involving interest of Directors and major shareholders of the Company.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“RRPT”)

During the financial year, there were no RRPT entered into by the Company or its subsidiary.

REPORTS & FINANCIAL STATEMENTS

Directors' Report	50
Statement by Directors	55
Statutory Declaration	55
Independent Auditors' Report	56
Statements of Financial Position	60
Statements of Profit or Loss and Other Comprehensive Income	62
Statements of Changes in Equity	63
Statements on Cash Flows	64
Notes to the Financial Statements	67

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 October 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are described in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	7,424,965	11,345,166

DIVIDENDS

The amount of dividends paid and declared since the end of the previous financial year were as follows:-

	RM
In respect of the financial year ended 31 October 2024:-	
First interim single tier dividend of RM0.01 per ordinary share, paid on 18 March 2024	1,180,076
Second interim single tier dividend of RM0.02 per ordinary share, paid on 28 October 2024	2,339,985
	<u>3,520,061</u>

The Directors do not recommend any final dividend payment for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS

The names of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Tan Lye Huat*
Tan Sook Yee*
Lim Hock Aun
Yoon Hin Yeow
Thong Chee Thim
Mak Wai Chin

* Directors of the Company and all of the subsidiaries.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS (CONT'D)

The Director of the subsidiaries since the beginning of the financial year to the date of this report, not including those Directors listed above are:-

Tan Yaw Bin

In accordance with Clause 76(3) of the Company's Constitution, Mr. Tan Lye Huat and Mr. Yoon Hin Yeow will retire from the Board by rotation at the forthcoming Annual General Meeting and being eligible offered themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at the financial year end (including interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	At 1.11.2023	Number of ordinary shares		At 31.10.2024
		Bought	Sold	
Company				
<u>Direct interests</u>				
Tan Lye Huat	2,578,316	542,700	-	3,121,016
Tan Sook Yee	2,304,268	-	-	2,304,268
<u>Indirect interests</u>				
Tan Lye Huat*	59,597,824	-	-	59,597,824
Tan Sook Yee#	50,628,738	-	-	50,628,738

* Deemed interest by virtue of the shareholdings in Affluent Future Sdn. Bhd., Tan Lye Huat Holdings Sdn. Bhd. and shares held by his children.

Deemed interest by virtue of the shareholdings in Affluent Future Sdn. Bhd. and Tan Lye Huat Holdings Sdn. Bhd..

By virtue of their interests in the shares of the Company, Tan Lye Huat and Tan Sook Yee are also deemed interest in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

Except as disclosed above, none of the other Directors in office at the end of the financial year held any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' EMOLUMENTS AND BENEFITS

During the financial year, the emoluments and other benefits received and receivable by the Directors of the Company are as follows:-

	Incurred by the Company RM	Incurred by the subsidiaries RM	Group RM
Directors' fees	95,667	-	95,667
Salaries and other emoluments	18,000	1,283,058	1,301,058
Defined contribution plans	-	163,869	163,869
Social security contribution	-	9,447	9,447
	<u>113,667</u>	<u>1,456,374</u>	<u>1,570,041</u>

The estimated monetary value of benefits-in-kind received by the Directors of the Company and subsidiaries other than cash from the Group is RM53,400.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of new ordinary shares or debentures during the financial year.

TREASURY SHARES

The shareholders of the Company, by a special resolution passed at an Annual General Meeting held on 28 March 2007, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed in the last Annual General Meeting held on 18 April 2024. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

The Company has the right to cancel or to resell these shares and/or distributes as dividends at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution is suspended. As disclosed in Note 14 to the financial statements, the Company purchased 1,305,300 units of treasury shares for total consideration of RM1,088,243 during the financial year.

As at the reporting date, the number of ordinary shares in issue after deducting treasury shares is 116,848,175 units.

DIRECTORS' REPORT

(CONT'D)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) 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 satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secure the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which have arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year are amounted to RM5,000,000 and RM17,818 respectively.

DIRECTORS' REPORT

(CONT'D)

AUDITORS

The total amount of audit and other fees paid to or receivables by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries for the financial year ended 31 October 2024 are RM41,000 and RM100,000 respectively.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

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

.....)	
TAN LYE HUAT)	
)	
)	
)	
)	DIRECTORS
)	
)	
)	
.....)	
TAN SOOK YEE)	

Kuala Lumpur
7 February 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 60 to 110 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements 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 October 2024 and of their financial performance and their cash flows for the financial year then ended.

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

.....
TAN LYE HUAT

Kuala Lumpur
7 February 2025

.....
TAN SOOK YEE

STATUTORY DECLARATION

I, Chong Kong Hui, being the Officer primarily responsible for the financial management of Kumpulan H & L High-Tech Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 60 to 110 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in the Federal Territory this day of)
7 February 2025)

.....
CHONG KONG HUI
(MIA NO.: 25067)
CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUMPULAN H & L HIGH-TECH BERHAD
(Incorporated in Malaysia) Registration No: 199401032123 (317805-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kumpulan H & L High-Tech Berhad, which comprise statements of financial position as at 31 October 2024 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 policies information, as set out on pages 60 to 110.

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 October 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, 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. Our responsibilities under those standards are further described in the Auditor's 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 matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of the carrying amount of trade receivables

The risk

Refer to Notes 10 and 31.2.1 to the financial statements. We focused on this area because the Group has material amounts of trade receivables that are past due but not impaired. The key associate risk is the recoverability of billed trade receivables as management judgement is required in determining the completeness of the trade receivables provision and in assessing its adequacy through considering the expected recoverability of the year-end trade receivables.

Our response

We have challenged management's assumptions in calculating the impairment loss for trade receivables. This includes reviewing the ageing of receivables in comparison to previous years, testing the integrity of ageing by calculating the due date for a sample of invoices and reviewing the level of bad debts written off in the current year against the prior year. We also checked the recoverability of outstanding receivables through examination of subsequent cash receipts and challenged the expected credit loss model developed by the Group.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUMPULAN H & L HIGH-TECH BERHAD (CONT'D)
(Incorporated in Malaysia) Registration No: 199401032123 (317805-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Inventories valuation - net

The risk

Refer to Note 7 to the financial statements. The Group holds a significant amount of inventories which is subject to risk that the inventories become slow-moving or obsolete, such that they could not be sold or can only be sold for selling prices that are less than the carrying value. There is inherent subjectivity and estimation required in determining the accuracy of inventory obsolescence provision and in making an assessment of its adequacy as it consists of risks such as inventory prices not valid and inventory not stated at the lower of cost or net realisable value.

Our response

We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historic data used in estimating the provisions. In doing so, we obtained understanding on the ageing profile of inventories, the process for identifying specific problem inventories and historical loss rates. Besides that, we also tested a sample of inventories to ensure that they were held at the lower of cost and net realisable value.

There is no key audit matter to be communicated in respect of the audit of the 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 comprise 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 Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016. 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.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUMPULAN H & L HIGH-TECH BERHAD (CONT'D)
(Incorporated in Malaysia) Registration No: 199401032123 (317805-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditor's 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- 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 Group's or the Company's ability 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicated 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 determined those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We described 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUMPULAN H & L HIGH-TECH BERHAD (CONT'D)
(Incorporated in Malaysia) Registration No: 199401032123 (317805-V)

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.

.....
GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

.....
KISHAN NARENDRA JASANI
(NO: 03223/12/2025(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
7 February 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2024

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	7,944,240	8,530,296	-	-
Right-of-use assets	4	38,861,532	38,128,738	-	-
Investment properties	5	83,820,000	77,800,000	-	-
Investment in subsidiaries	6	-	-	34,170,724	27,416,971
Inventories	7	30,707	48,521	-	-
Other investments	8	50,924	50,924	-	-
Amount due from a subsidiary	6	-	-	-	7,200,000
Total non-current assets		130,707,403	124,558,479	34,170,724	34,616,971
Current assets					
Inventories	7	3,208,826	3,692,715	-	-
Bearer biological assets	9	303,996	227,478	-	-
Trade receivables	10	2,342,732	2,955,683	-	-
Other receivables	11	452,165	414,436	18,873	13,133
Other investments	8	2,504,725	1,013,058	1,320,325	-
Amount due from subsidiaries	6	-	-	2,487,696	-
Tax recoverable		540,693	159,103	-	1,402
Deposits with licensed financial institutions	12	27,574,399	35,740,602	9,687,567	9,391,001
Cash and bank balances		7,488,218	4,090,902	3,170,895	94,332
Total current assets		44,415,754	48,293,977	16,685,356	9,499,868
TOTAL ASSETS		175,123,157	172,852,456	50,856,080	44,116,839
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	13	40,612,085	40,612,085	40,612,085	40,612,085
Treasury shares	14	(4,354,489)	(3,266,246)	(4,354,489)	(3,266,246)
Revaluation reserve	15	20,194,793	19,435,768	-	-
Retained earnings		82,749,326	78,844,422	14,551,705	6,726,600
Total equity		139,201,715	135,626,029	50,809,301	44,072,439
LIABILITIES					
Non-current liabilities					
Borrowings	16	10,222,979	11,919,255	-	-
Lease liabilities	17	9,373,186	9,306,908	-	-
Deferred tax liabilities	18	11,771,062	11,341,210	-	-
Total non-current liabilities		31,367,227	32,567,373	-	-

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2024 (CONT'D)

		Group		Company	
	Note	2024	2023	2024	2023
		RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	19	459,012	365,897	-	-
Other payables	20	2,030,646	2,005,947	46,714	44,400
Contract liabilities	21	59,606	95,363	-	-
Borrowings	16	1,715,796	1,643,656	-	-
Lease liabilities	17	51,300	48,470	-	-
Tax payable		237,855	499,721	65	-
Total current liabilities		4,554,215	4,659,054	46,779	44,400
Total liabilities		35,921,442	37,226,427	46,779	44,400
TOTAL EQUITY AND LIABILITIES		175,123,157	172,852,456	50,856,080	44,116,839

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
Revenue	22	21,693,681	27,242,738	11,833,333	-
Cost of sales		(13,240,668)	(14,444,444)	-	-
Gross profit		8,453,013	12,798,294	11,833,333	-
Other income		6,691,635	5,686,991	25,026	-
Finance income	23	1,205,589	1,190,305	318,385	442,456
Net loss on impairment of financial assets		-	-	(18,782)	(16,780)
Net loss on impairment of non-financial assets		-	-	(402,767)	-
Selling and distribution expenses		(131,443)	(87,935)	-	-
Administration expenses		(4,340,063)	(4,454,480)	(167,367)	(170,081)
Other expenses		(2,091,980)	(1,686,539)	(247,508)	(270,687)
Finance costs	24	(999,724)	(1,037,920)	-	-
Profit/(Loss) before tax	25	8,787,027	12,408,716	11,340,320	(15,092)
Tax (expense)/income	26	(1,362,062)	(2,221,271)	4,846	41
Profit/(Loss) for the financial year		7,424,965	10,187,445	11,345,166	(15,051)
Other comprehensive income, net of tax <i>Items that will not be subsequently reclassified to profit or loss</i>					
- Revaluation of land and buildings		998,717	1,373,430	-	-
- Tax effect on revaluation of land and buildings	26	(239,692)	(329,622)	-	-
Other comprehensive income for the financial year		759,025	1,043,808	-	-
Total comprehensive income/(loss) for the financial year		8,183,990	11,231,253	11,345,166	(15,051)
Profit/(Loss) for the financial year attributable to:-					
Owners of the Company		7,424,965	10,187,445	11,345,166	(15,051)
Total comprehensive income/(loss) attributable to:-					
Owners of the Company		8,183,990	11,231,253	11,345,166	(15,051)
Earnings per share attributable to the owners of the Company (sen)					
- Basic/Diluted	27	6.31	8.55		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	Share capital RM	Non-distributable Revaluation reserve RM	Treasury shares RM	Distributable Retained earnings RM	Total RM
Group					
Balance at 1 November 2022	40,612,085	18,391,960	(1,901,175)	72,218,291	129,321,161
Total comprehensive income:					
- Profit for the financial year	-	-	-	10,187,445	10,187,445
- Revaluation during the financial year	-	1,043,808	-	-	1,043,808
Transactions with owners:					
- Purchase of treasury shares (Note 14)	-	-	(1,365,071)	-	(1,365,071)
- Dividends (Note 28)	-	-	-	(3,561,314)	(3,561,314)
Balance at 31 October 2023	40,612,085	19,435,768	(3,266,246)	78,844,422	135,626,029
Total comprehensive income:					
- Profit for the financial year	-	-	-	7,424,965	7,424,965
- Revaluation during the financial year	-	759,025	-	-	759,025
Transactions with owners:-					
- Purchase of treasury shares (Note 14)	-	-	(1,088,243)	-	(1,088,243)
- Dividends (Note 28)	-	-	-	(3,520,061)	(3,520,061)
Balance at 31 October 2024	40,612,085	20,194,793	(4,354,489)	82,749,326	139,201,715
Company					
Balance at 1 November 2022	40,612,085	-	(1,901,175)	10,302,965	49,013,875
Total comprehensive loss	-	-	-	(15,051)	(15,051)
Transactions with owners:					
- Purchase of treasury shares (Note 14)	-	-	(1,365,071)	-	(1,365,071)
- Dividends (Note 28)	-	-	-	(3,561,314)	(3,561,314)
Balance at 31 October 2023	40,612,085	-	(3,266,246)	6,726,600	44,072,439
Total comprehensive income	-	-	-	11,345,166	11,345,166
Transactions with owners:					
- Purchase of treasury shares (Note 14)	-	-	(1,088,243)	-	(1,088,243)
- Dividends (Note 28)	-	-	-	(3,520,061)	(3,520,061)
Balance at 31 October 2024	40,612,085	-	(4,354,489)	14,551,705	50,809,301

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	Note	2024 RM	2023 RM	2024 RM	2023 RM
Company					
OPERATING ACTIVITIES					
Profit/(Loss) before tax		8,787,027	12,408,716	11,340,320	(15,092)
Adjustments for:-					
Depreciation of property, plant and equipment		1,295,479	1,257,033	-	-
Depreciation of right-of-use assets		694,453	888,398	-	-
Dividend income from other investments		(55,026)	(38,037)	(24,937)	-
Fair value gain on investment properties		(6,020,000)	(4,900,000)	-	-
Fair value gain on derivative financial instruments		-	(12,675)	-	-
Fair value (gain)/loss on bearer biological assets		(76,518)	2,873	-	-
Fair value loss on other investments		91,383	39,873	6,328	-
Gain on disposal of property, plant and equipment		(129,999)	(13,171)	-	-
Gain on disposal of other investments		-	(99,969)	-	-
Impairment loss on investment in a subsidiary		-	-	402,767	-
Impairment loss on amount due from subsidiaries		-	-	18,782	16,780
Interest income		(1,205,589)	(1,190,305)	(318,385)	(442,456)
Interest expenses		999,724	1,037,920	-	-
Net unrealised loss on foreign exchange		169,542	62,286	-	-
Property, plant and equipment written off		6,298	6,876	-	-
Operating profit/(loss) before working capital changes		4,556,774	9,449,818	11,424,875	(440,768)
Changes in working capital:-					
Inventories		501,703	221,847	-	-
Receivables		541,505	470,777	(5,740)	(3,031)
Payables		124,792	(580,411)	2,314	6,051
Contract liabilities		(35,757)	88,708	-	-
Cash generated from/(used in) operations		5,689,017	9,650,739	11,421,449	(437,748)
Tax refunded		7,032	-	7,032	-
Tax paid		(1,822,390)	(1,262,945)	(719)	(703)
Net cash from/(used in) operating activities		3,873,659	8,387,794	11,427,762	(438,451)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONT'D)

	Note	Group	Company		
		2024	2023	2024	2023
		RM	RM	RM	RM
INVESTING ACTIVITIES					
Dividend received from other investments		55,026	38,037	24,937	-
Interest received		1,205,589	1,190,305	318,385	442,456
Advances to subsidiaries		-	-	(2,462,998)	(1,016,780)
Proceeds from disposal of property, plant and equipment		130,000	13,172	-	-
Proceeds from disposal of other investments		-	522,277	-	-
Purchase of right-of-use assets		(310,400)	(289,900)	-	-
Purchase of property, plant and equipment		(715,722)	(1,103,120)	-	-
Purchase of other investments		(1,583,050)	(394,609)	(1,326,653)	-
Purchase of treasury shares		(1,088,243)	(1,365,071)	(1,088,243)	(1,365,071)
Net cash used in investing activities		(2,306,800)	(1,388,909)	(4,534,572)	(1,939,395)
FINANCING ACTIVITIES					
Interest paid		(999,724)	(1,037,920)	-	-
Dividend paid		(3,520,061)	(3,561,314)	(3,520,061)	(3,561,314)
Placement of deposits with licensed financial institutions		(2,415)	(2,221)	-	-
Repayment of lease liabilities		(49,022)	(229,327)	-	-
Repayment of borrowings		(1,624,136)	(1,554,184)	-	-
Net cash used in financing activities		(6,195,358)	(6,384,966)	(3,520,061)	(3,561,314)
CASH AND CASH EQUIVALENTS					
Net changes		(4,628,499)	613,919	3,373,129	(5,939,160)
Effect of exchange rate changes		(142,803)	14,277	-	-
Brought forward		39,729,249	39,101,053	9,485,333	15,424,493
Carried forward	A	34,957,947	39,729,249	12,858,462	9,485,333

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024 (CONT'D)

NOTE TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following items:-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	7,488,218	4,090,902	3,170,895	94,332
Deposits with licensed financial institutions	27,574,399	35,740,602	9,687,567	9,391,001
	35,062,617	39,831,504	12,858,462	9,485,333
Less: Deposits pledged with licensed financial institutions	(104,670)	(102,255)	-	-
	34,957,947	39,729,249	12,858,462	9,485,333

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 November 2023	Cash flows	Lease modification	31 October 2024
	RM	RM	RM	RM
Group				
Term loans	13,562,911	(1,624,136)	-	11,938,775
Lease liabilities	9,355,378	(49,022)	118,130	9,424,486
	22,918,289	(1,673,158)	118,130	21,363,261
	1 November 2022	Cash flows	Lease modification	31 October 2023
	RM	RM	RM	RM
Term loans	15,117,095	(1,554,184)	-	13,562,911
Lease liabilities	9,388,118	(229,327)	196,587	9,355,378
	24,505,213	(1,783,511)	196,587	22,918,289

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

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at Unit 521, 5th Floor, Lobby 6, Block A, Damansara Intan, No 1, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 6, Jalan TSB 1, Taman Industri Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are described in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors on 7 February 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for certain properties and equity financial assets that have been measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group or the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.2 Basis of Measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for the identical assets.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of New Standards/Amendments/Improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 November 2023.

Initial application of the new standards/amendments/improvements to MFRSs did not have any impact on the financial statements of the Group and of the Company except for:-

Amendments to MFRS 101 - Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant" with "material". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.4 MFRSs (cont'd)

2.4.2 Standards Issued but Not Yet Effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective.

Effective for financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments - Disclosures - Supplier Finance Arrangements

Effective for financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
------------------------	--

Effective for financial period beginning on or after 1 January 2026:-

Amendments to MFRS 7 and MFRS 9	Financial Instruments and Financial Instruments - Disclosures - Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to MFRS Accounting Standards - Volume 11	

Effective for financial period beginning on or after 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability - Disclosures

Amendments to MFRSs – effective date deferred indefinitely:-

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	--

The initial application of the above standards and amendments are not expected to have material financial impact to the financial statements.

2.5 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated result.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Depreciation of Property, Plant and Equipment and Right-of-use Assets

Management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 4 to 67 years and reviews the useful lives of depreciable assets at the end of each reporting year. Management assesses the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

Leases - Estimating the Incremental Borrowing Rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for Group that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Group's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Group's stand-alone credit rating).

Impairment of Non-financial Assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

Fair Value of Bearer Biological Assets

The Group's bearer biological assets are measured at fair value less point-of-sale costs. In measuring fair values of fresh fruit bunches, management uses estimates of cash flows using inputs or assumptions of life to maturity, productivity quantity, mortality rate, selling prices of fresh fruit bunches, variable costs and profit margins. The probability-weighted cash flows are discounted using an appropriate discount rate that reflects the time value of money and the risk. As prices in agricultural business are volatile, the actual cash flows and discount rate may not coincide with the estimates made and this may have a significant effect on the Group's financial position and results.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant Accounting Estimates and Judgements (cont'd)

2.5.1 Key Sources of Estimation Uncertainty (cont'd)

Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Revaluation of Right-of-use Assets

The Group measures its lands and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. Significant judgement is required in the determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and reliance on the work of specialists. The Group engages independent valuation specialists to determine the fair values.

Fair Value Valuation of Investment Properties

The Group measures its investment properties at fair value with changes in fair value being recognised in profit or loss. Significant judgement is required in the determination of fair value which may be derived based on different valuation methods. In making the judgement, the Group evaluates based on past experience and reliance on the work of specialists. The Group engages independent valuation specialists to determine the fair values.

Income Tax/Deferred Tax Liabilities

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.5.2 Significant Management Judgement

There are no significant areas of management judgements in applying the accounting policies that have any significant effect on the amount recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Staff quarters RM	Plant and machinery RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Warehouse RM	Renovations RM	Electrical installation RM	Tools and utensils RM	Bearer plants RM	Total RM
Cost										
At 1 November 2022	577,575	32,814,629	5,424,172	5,991,468	1,166,880	1,331,651	1,694,833	4,445,075	7,412,902	60,859,185
Additions	-	625,620	401,916	52,376	23,208	-	-	-	-	1,103,120
Disposal	-	(175,000)	(130,000)	-	-	-	-	-	-	(305,000)
Reclassification	-	-	-	-	-	-	-	-	(45,892)	(45,892)
Written off	-	-	(441,284)	(12,498)	-	-	-	-	-	(453,782)
Transferred from right-of-use assets	-	-	889,918	-	-	-	-	-	-	889,918
At 31 October 2023	577,575	33,265,249	6,144,722	6,031,346	1,190,088	1,331,651	1,694,833	4,445,075	7,367,010	62,047,549
Additions	71,608	-	410,800	88,314	-	-	145,000	-	-	715,722
Disposal	-	-	(584,435)	-	-	-	-	-	-	(584,435)
Written off	-	-	(3,200)	(8,720)	-	-	-	-	-	(11,920)
At 31 October 2024	649,183	33,265,249	5,967,887	6,110,940	1,190,088	1,331,651	1,839,833	4,445,075	7,367,010	62,166,916
Accumulated depreciation										
At 1 November 2022	542,737	32,239,048	4,374,016	5,836,373	859,145	1,269,341	1,236,448	4,271,289	1,866,005	52,494,402
Charge for the financial year	28,411	271,808	421,558	59,911	50,910	20,538	61,161	10,519	332,217	1,257,033
Disposal	-	(175,000)	(129,999)	-	-	-	-	-	-	(304,999)
Reclassification	-	-	-	-	-	-	-	-	(45,892)	(45,892)
Written off	-	-	(441,283)	(5,623)	-	-	-	-	-	(446,906)
Transferred from right-of-use assets	-	-	563,615	-	-	-	-	-	-	563,615

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Staff quarters RM	Plant and machinery RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Warehouse RM	Renovations RM	Electrical installation RM	Tools and utensils RM	Bearer plants RM	Total RM
Accumulated depreciation (cont'd)										
At 31 October 2023	571,148	32,335,856	4,787,907	5,890,661	910,055	1,289,879	1,297,609	4,281,808	2,152,330	53,517,253
Charge for the financial year	11,448	217,281	562,840	49,241	52,779	6,950	59,361	3,362	332,217	1,295,479
Disposal	-	-	(584,434)	-	-	-	-	-	-	(584,434)
Written off	-	-	(3,200)	(2,422)	-	-	-	-	-	(5,622)
At 31 October 2024	582,596	32,553,137	4,763,113	5,937,480	962,834	1,296,829	1,356,970	4,285,170	2,484,547	54,222,676
Net carrying amount										
At 31 October 2024	66,587	712,112	1,204,774	173,460	227,254	34,822	482,863	159,905	4,882,463	7,944,240
At 31 October 2023	6,427	929,393	1,356,815	140,685	280,033	41,772	397,224	163,267	5,214,680	8,530,296

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Material accounting policy information

All property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. The estimated useful lives for the current and comparative periods are as follows:-

Staff quarters	25%
Plant and machinery	10% - 20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 20%
Warehouse	10%
Renovations	10%
Electrical installation	10%
Tools and utensils	10% - 14%
Bearer plants	5%

4. RIGHT-OF-USE ASSETS

The Group has lease contracts for lands. The lease of lands is 60 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

Group	Buildings RM	Leasehold land RM	Leased land RM	Motor vehicles RM	Total RM
Cost or valuation					
At 1 November 2022	15,052,251	13,150,000	9,306,265	889,918	38,398,434
Additions	289,900	-	-	-	289,900
Lease modification	-	-	196,587	-	196,587
Transferred to property, plant and equipment	-	-	-	(889,918)	(889,918)
Revaluation adjustment	(210,000)	1,090,000	-	-	880,000
At 31 October 2023	15,132,151	14,240,000	9,502,852	-	38,875,003
Representing:					
- Cost	-	-	9,502,852	-	9,502,852
- Valuation	15,132,151	14,240,000	-	-	29,372,151
At 31 October 2023	15,132,151	14,240,000	9,502,852	-	38,875,003
Additions	310,400	-	-	-	310,400
Lease modification	-	-	118,130	-	118,130
Revaluation adjustment	(279,900)	760,000	-	-	480,100
	15,162,651	15,000,000	9,620,982	-	39,783,633
Representing:					
- Cost	-	-	9,620,982	-	9,620,982
- Valuation	15,162,651	15,000,000	-	-	30,162,651
At 31 October 2024	15,162,651	15,000,000	9,620,982	-	39,783,633

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

4. RIGHT-OF-USE ASSETS (CONT'D)

Group	Buildings RM	Leasehold land RM	Leased land RM	Motor vehicles RM	Total RM
Accumulated depreciation					
At 1 November 2022	-	-	514,449	400,463	914,912
Charge for the financial year	302,850	190,580	231,816	163,152	888,398
Revaluation adjustment	(302,850)	(190,580)	-	-	(493,430)
Transferred to property, plant and equipment	-	-	-	(563,615)	(563,615)
At 31 October 2023	-	-	746,265	-	746,265
Charge for the financial year	309,206	209,411	175,836	-	694,453
Revaluation adjustment	(309,206)	(209,411)	-	-	(518,617)
At 31 October 2024	-	-	922,101	-	922,101
Net carrying amount					
At 31 October 2024	15,162,651	15,000,000	8,698,881	-	38,861,532
At 31 October 2023	15,132,151	14,240,000	8,756,587	-	38,128,738

Material accounting policy information

The right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The 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	67 years
Leased land	60 years
Buildings	2%

The leasehold land and buildings are stated at the revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses. The leasehold land and buildings were revalued on 31 October 2024, based on valuation carried out by an independent professional valuer, on an open market value basis to reflect the market value of existing use. There have been no changes to the valuation technique during the financial year. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under equity.

Leasehold land and buildings at valuation are categorised at Level 2 fair value. There was no transfer between Level 1 and Level 2 during the financial year.

Level 2 fair value

Level 2 fair values of leasehold land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

4. RIGHT-OF-USE ASSETS (CONT'D)

Material accounting policy information (cont'd)

Level 2 fair value (cont'd)

At the reporting date, had the revalued leasehold land and buildings of the Group carried under the cost model, the carrying amount would have been as follows:-

	2024 RM	2023 RM
Leasehold land	1,820,986	2,107,468
Buildings	2,944,052	2,700,483
	<u>4,765,038</u>	<u>4,807,951</u>

5. INVESTMENT PROPERTIES

Group	Freehold land RM	Leasehold land RM	Freehold buildings RM	Leasehold buildings RM	Total RM
Fair value					
At 1 November 2022	35,800,000	12,590,000	24,200,000	310,000	72,900,000
Fair value adjustment	<u>4,300,000</u>	<u>195,000</u>	<u>400,000</u>	<u>5,000</u>	<u>4,900,000</u>
At 31 October 2023	40,100,000	12,785,000	24,600,000	315,000	77,800,000
Fair value adjustment	<u>3,700,000</u>	<u>2,315,000</u>	<u>-</u>	<u>5,000</u>	<u>6,020,000</u>
At 31 October 2024	<u>43,800,000</u>	<u>15,100,000</u>	<u>24,600,000</u>	<u>320,000</u>	<u>83,820,000</u>

The title deed of the Group's leasehold land with net carrying amount of RM800,000 (2023: RM800,000) is yet to be registered by the relevant authority.

Freehold land and building and leasehold land and building of a subsidiary with net carrying amount of RM58,200,000 (2023: RM54,500,000) and RM1,200,000 (2023: RM1,200,000) respectively have been charged to financial institutions for credit facilities granted to the subsidiaries as disclosed in Note 16 to the financial statements.

Material accounting policy information

Investment properties are initially measured at cost. Subsequent to initial recognition, investment properties are stated at fair value and are revalued annually.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

Income and expenses recognised in profit or loss:-

	Group	
	2024	2023
	RM	RM
Rental income from investment properties	3,295,884	3,173,472
Direct operating expenses:		
- income generating investment properties	(218,941)	(218,941)
- non-income generating investment properties	(261)	(261)

The operating lease payments to be received are as follows:-

	Group	
	2024	2023
	RM	RM
Within 1 year	3,383,526	3,011,464
Between 1 to 5 years	2,724,485	4,104,634
	6,108,011	7,116,098

Fair value basis of investment properties

The fair value of the investment properties are based on valuations performed by an accredited independent valuer with recent experience in the location and category of properties being valued. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the financial year.

Fair value measurement of the investment properties were categorised as follows:-

	Group	
	Level 2	Level 2
	2024	2023
	RM	RM

Recurring fair value measurements:-

Freehold land	43,800,000	40,100,000
Leasehold land	15,100,000	12,785,000
Freehold buildings	24,600,000	24,600,000
Leasehold buildings	320,000	315,000

Level 2 fair value

Level 2 fair values of freehold and leasehold land and buildings have generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

6. SUBSIDIARIES

Investment in subsidiaries

	Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	34,573,491	27,416,971
Less: Impairment losses	(402,767)	-
	<u>34,170,724</u>	<u>27,416,971</u>

Investment in subsidiaries are impaired at reporting date when the fair value less cost to sales of the subsidiary is lower than cost of investment. The movement of accumulated impairment losses during the financial year is as follows:-

	Company	
	2024	2023
	RM	RM
Additions/Carried forward	<u>402,767</u>	<u>-</u>

The recoverable amount of the subsidiary amounted to RM4,607,150 were estimated based on fair value less cost to sales. There is no indication of impairment in prior financial year.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity by reference to the fair value of its assets and liabilities.	Fair value of individual assets and liabilities.	The higher the net assets, the higher the fair value.

Material accounting policy information

Investment in subsidiaries, which are eliminated on consolidation, are stated in the Company's statement of financial position at cost less any impairment losses.

Details of the subsidiaries at the end of the reporting year are as follows:-

Name of company	Principal place of business	Effective interest		Principal activities
		2024	2023	
		%	%	
H & L High-Tech Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of precision engineering moulds, dies, jigs, fixtures, tools and other precision machine parts.
Plastik STC Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of customised precision engineering plastic injection moulding parts and components for electrical and electronic, medical, automotive, furniture and other industries.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

6. SUBSIDIARIES (CONT'D)

Investment in subsidiaries (cont'd)

Details of the subsidiaries at the end of the reporting year are as follows (cont'd):-

Name of company	Principal place of business	Effective interest		Principal activities
		2024	2023	
		%	%	
H & L High-Tech Deco Sdn. Bhd.	Malaysia	100	100	Oil palm cultivation.
H & L High-Tech Properties Sdn. Bhd.	Malaysia	100	100	Letting of properties and property investment.
H & L High-Tech Properties Development Sdn. Bhd.	Malaysia	100	100	Property development.
HLH Desa Coalfields Sdn. Bhd.	Malaysia	100	100	Dormant.
STC Technology Sdn. Bhd.	Malaysia	100	100	Dormant.

2024

Acquisition of subsidiaries

On 30 August 2024, a wholly-owned subsidiary of the Company, H & L High-Tech Properties Sdn. Bhd. issued 7,156,520 new ordinary shares which was acquired by the Company by way of capitalisation of RM7,156,520 of the amount due from a subsidiary.

Amount due from subsidiaries

	Company	
	2024	2023
	RM	RM
Non-current		
Amount due from a subsidiary	-	7,200,000
Current		
Amount due from subsidiaries	2,640,986	134,508
Less: Allowance for ECLs	(153,290)	(134,508)
	2,487,696	-
	<u>2,487,696</u>	<u>7,200,000</u>

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

6. SUBSIDIARIES (CONT'D)

Amount due from subsidiaries (cont'd)

The movements in the allowances for ECLs in respect of amount due from subsidiaries during the financial year were as follows:-

	Company	
	2024	2023
	RM	RM
Brought forward	134,508	117,728
Additions	18,782	16,780
Carried forward	153,290	134,508

The amount due from subsidiaries is non-trade related, unsecured, non-interest bearing and repayable on demand.

7. INVENTORIES

	Group	
	2024	2023
	RM	RM
Non-current		
Land held for property development (Note 7.1)	30,707	48,521
Current		
Property development costs (Note 7.2)	5,938	-
Raw materials	1,368,911	1,778,587
Work-in-progress	434,252	474,449
Finished goods	1,399,725	1,439,679
	3,208,826	3,692,715
	3,239,533	3,741,236
Recognised in profit or loss:-		
Inventories recognised as cost of sales	10,097,491	11,280,351

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials is determined on a first-in-first-out/weighted average basis. Cost of work-in-progress and finished goods comprise raw materials, direct labour, other direct costs and appropriate proportions of production overhead.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

7. INVENTORIES (CONT'D)

7.1 Land held for Property Development

	Group	
	2024	2023
	RM	RM
Freehold land		
Cost		
Brought forward	48,521	76,693
Transferred to property development costs	(17,814)	(28,172)
Carried forward	30,707	48,521

7.2 Property Development Costs

	Group	
	2024	2023
	RM	RM
Freehold land		
Cost		
Brought forward	-	186,421
Transferred from land held for property development	17,814	28,172
Transferred to profit or loss	(11,876)	(214,593)
Carried forward	5,938	-

Title deeds of the freehold land are currently surrendered to Perak state authority as part of the conditions for the property development project entered by a subsidiary.

The subsidiary has entered into a joint venture agreement with a joint venture partner to develop two pieces of land. The subsidiary is entitled to 21% and 23% of the profit earned from the properties sold for each land respectively. All the development cost is operated and financed by the joint venture partner.

8. OTHER INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
FVTPL:-				
Non-current assets				
Golf club membership	49,000	49,000	-	-
Unquoted shares in Malaysia	1,924	1,924	-	-
	50,924	50,924	-	-
Current asset				
Quoted shares in Malaysia	2,504,725	1,013,058	1,320,325	-
	2,555,649	1,063,982	1,320,325	-

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

9. BEARER BIOLOGICAL ASSETS

	Group	
	2024	2023
	RM	RM

At fair value:-

Fresh fruit bunches

Brought forward	227,478	230,351
Changes in fair value less costs to sell	76,518	(2,873)
Carried forward	303,996	227,478

The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value, the management has considered the oil content of the unripe FFB and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 80% of the ripe FFB, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Costs to sell include harvesting cost and transport.

During the financial year, the Group harvested approximately 9,531 metric tonnes (2023: 8,728 metric tonnes) of FFB. The fair value measurement of the Group's biological assets, which are estimated using unobservable inputs, are categorised within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year 2024 and 2023.

None of the biological assets are pledged as securities for liabilities.

10. TRADE RECEIVABLES

	Group	
	2024	2023
	RM	RM

Trade receivables	2,342,732	2,955,683
-------------------	-----------	-----------

Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The credit terms granted by the Group to the trade receivables ranging from 7 to 75 days (2023: 7 to 75 days). Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

11. OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-trade receivables	84,744	58,990	-	-
Deposits	20,960	52,640	1,000	1,000
Prepayments	346,461	302,806	17,873	12,133
	<u>452,165</u>	<u>414,436</u>	<u>18,873</u>	<u>13,133</u>

12. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The average interest rates for deposits with licensed financial institutions of the Group and of the Company ranged from 0.05% to 6.14% (2023: 0.06% to 4.52%) and 0.05% to 2.48% (2023: 0.06% to 2.50%) per annum and the average maturity period are ranging from 30 to 365 days (2023: 30 to 365 days) and 30 to 90 days (2023: 30 to 90 days) respectively.

Included in deposits with licensed financial institutions of the Group is an amount of RM104,670 (2023: RM102,255) which has been pledged for bank guarantee facility granted to a subsidiary.

13. SHARE CAPITAL

	Group and Company	
	2024	2023
	RM	RM

Issued and fully paid with no par value:-

121,836,255 units of ordinary shares	<u>40,612,085</u>	<u>40,612,085</u>
--------------------------------------	-------------------	-------------------

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. TREASURY SHARES

	Group and Company			
	2024		2023	
	Number of treasury shares Unit	Amount RM	Number of treasury shares Unit	Amount RM
Brought forward	3,682,780	3,266,246	2,169,580	1,901,175
Purchase of treasury shares	1,305,300	1,088,243	1,513,200	1,365,071
Carried forward	<u>4,988,080</u>	<u>4,354,489</u>	<u>3,682,780</u>	<u>3,266,246</u>

The shareholders of the Company, by a special resolution passed at an Annual General Meeting held on 28 March 2007, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back"). The authority granted by the shareholders was subsequently renewed in the last Annual General Meeting held on 18 April 2024. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the purchase plan can be applied in the best interest of the Company and its shareholders.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

14. TREASURY SHARES (CONT'D)

The shares purchased were retained as treasury shares. The Company has the right to cancel or to resell these shares and/or distributes as dividends at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended.

During the financial year, the Company purchase 1,305,300 units of treasury shares for total consideration of RM1,088,243.

As at the reporting date, the Company held 4,988,080 (2023: 3,682,780) of the Company's shares and the number of ordinary shares in issue after setting off against treasury shares is 116,848,175 (2023: 118,153,475).

15. REVALUATION RESERVE

	Group	
	2024	2023
	RM	RM
Brought forward	19,435,768	18,391,960
Revaluation surplus during the financial year	998,717	1,373,430
Transferred to deferred tax liabilities	(239,692)	(329,622)
Carried forward	20,194,793	19,435,768

Revaluation reserve arising from revaluation of properties are not available for distribution as dividends.

16. BORROWINGS

	Group	
	2024	2023
	RM	RM
Secured:-		
Non-current		
Term loans	10,222,979	11,919,255
Current		
Term loans	1,715,796	1,643,656
	11,938,775	13,562,911
Repayment terms:		
- Not later than 1 year	1,715,796	1,643,656
- Later than 1 year but not later than 5 years	5,681,958	6,869,896
- More than 5 years	4,541,021	5,049,359
	10,222,979	11,919,255
	11,938,775	13,562,911

The effective interest rate of term loans ranging from 4.40% to 4.52% (2023: 3.90% to 4.52%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

16. BORROWINGS (CONT'D)

The term loans are secured by way of:-

- (i) Fixed charge against freehold land and building and leasehold land and building of a subsidiary as disclosed in Note 5 to the financial statements;
- (ii) Assignment of rental proceeds; and
- (iii) Corporate guarantee by the Company.

17. LEASE LIABILITIES

	Group	
	2024	2023
	RM	RM
Non-current	9,373,186	9,306,908
Current	51,300	48,470
	<u>9,424,486</u>	<u>9,355,378</u>

The total cash outflows for leases amounted to RM484,466 (2023: RM655,122).

The effective interest rate of the lease liabilities at a rate of 4.65% (2023: ranging from 4.14% to 4.65%) per annum.

18. DEFERRED TAX LIABILITIES

The deferred tax liabilities are made up of the following:-

	Group					
	Assets	2024	Net	Assets	2023	Net
	RM	Liabilities	RM	RM	Liabilities	RM
Brought forward	(377,700)	11,718,910	11,341,210	(594,000)	10,946,000	10,352,000
Recognised in profit or loss	(239,300)	573,672	334,372	216,300	583,794	800,094
Recognised in other comprehensive income	-	239,692	239,692	-	329,622	329,622
Crystallisation of deferred tax upon depreciation of revalued assets	-	(144,212)	(144,212)	-	(140,506)	(140,506)
Carried forward	<u>(617,000)</u>	<u>12,388,062</u>	<u>11,771,062</u>	<u>(377,700)</u>	<u>11,718,910</u>	<u>11,341,210</u>

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

18. DEFERRED TAX LIABILITIES (CONT'D)

The components of deferred tax liabilities/assets are made up of temporary difference arising from:-

Deferred tax assets

	Unabsorbed capital allowances RM	Unabsorbed reinvestment allowance RM	Unutilised business losses RM	Total RM
At 1 November 2022	133,000	62,000	399,000	594,000
Recognised in profit or loss	48,100	-	(264,400)	(216,300)
At 31 October 2023	181,100	62,000	134,600	377,700
Recognised in profit or loss	32,800	-	206,500	239,300
At 31 October 2024	213,900	62,000	341,100	617,000

Deferred tax liabilities

	Property, plant and equipment, investment properties and right-of-use assets RM	Revaluation surplus RM	Fair value gain on investment properties RM	Total RM
At 1 November 2022	2,634,358	4,935,642	3,376,000	10,946,000
Recognised in profit or loss	69,496	(140,506)	514,298	443,288
Recognised in other comprehensive income	-	329,622	-	329,622
At 31 October 2023	2,703,854	5,124,758	3,890,298	11,718,910
Recognised in profit or loss	(96,828)	(144,212)	670,500	429,460
Recognised in other comprehensive income	-	239,692	-	239,692
At 31 October 2024	2,607,026	5,220,238	4,560,798	12,388,062

19. TRADE PAYABLES

The trade payables of the Group are non-interest bearing and the normal credit terms granted by suppliers to the Group ranging from 30 to 60 days (2023: 30 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

20. OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-trade payables	82,260	133,236	3,414	-
Sundry deposits	930,827	929,481	-	-
Accrual of expenses	1,017,559	943,230	43,300	44,400
	<u>2,030,646</u>	<u>2,005,947</u>	<u>46,714</u>	<u>44,400</u>

Included in the sundry deposits of the Group is an amount of RM150,000 (2023: RM150,000) that is in relation with a subsidiary entering into an arrangement with a joint venture partner for the purpose of developing the subsidiary's lands into a mixed residential project with the usual amenities.

21. CONTRACT LIABILITIES

	Group	
	2024	2023
	RM	RM
Deposit received	<u>59,606</u>	<u>95,363</u>

Contract liabilities comprised of advance deposit from customers for delivery of goods.

When the Group received advances before the activity commences, this will give rise to contract liabilities at the start of a contract. The advances will be reversed and recognised as revenue upon satisfying the performance obligation within the contract. The Group expects to fulfil the performance obligation and recognise the revenue within 1 year (2023: 1 year).

22. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Revenue from contracts with customers				
Manufacturing and sales of goods	11,125,342	16,854,608	-	-
Sales of fresh fruit bunches	7,162,400	6,152,768	-	-
Distribution from joint property development project	275,655	1,225,890	-	-
	<u>18,563,397</u>	<u>24,233,266</u>	<u>-</u>	<u>-</u>
Other revenue				
Rental income	3,130,284	3,009,472	-	-
Dividend income	-	-	11,833,333	-
	<u>3,130,284</u>	<u>3,009,472</u>	<u>11,833,333</u>	<u>-</u>
	<u>21,693,681</u>	<u>27,242,738</u>	<u>11,833,333</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

22. REVENUE (CONT'D)

Timing of revenue recognition from contracts with customers

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At a point of time	17,887,068	23,197,200	-	-
Over time	676,329	1,036,066	-	-
	18,563,397	24,233,266	-	-

Primary geographical markets

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Malaysia	10,475,014	10,955,576	-	-
European	7,753,841	9,070,853	-	-
United States	202,892	2,575,462	-	-
China	131,650	1,631,375	-	-
	18,563,397	24,233,266	-	-

22.1 Performance obligation

Information about the Group's and the Company's performance obligations are summarised below:-

Manufacturing, sales of goods and sales of fresh fruit bunches

Revenue relating to sales of goods is recognised net of sales returns and discount upon the transfer of control of the goods to the customers. Revenue is not recognised to extent there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Distribution from joint property development project

Revenue from joint property development project is recognised when the right to receive distribution is established.

Revenue from other sources

Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

Rental income

Rental income is recognised on an accrual basis unless collectability is in doubt.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

23. FINANCE INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Interest income from deposits with licensed financial institutions	1,205,589	1,190,305	318,385	442,456

24. FINANCE COSTS

	Group	
	2024	2023
	RM	RM
Interest expenses:		
- Lease liabilities	435,444	425,795
- Term loans	564,280	612,125
	999,724	1,037,920

25. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the followings:-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration:				
- statutory audit	135,000	143,600	35,000	35,000
- other services	6,000	6,000	6,000	6,000
Depreciation of property, plant and equipment	1,295,479	1,257,033	-	-
Depreciation of right-of-use assets	694,453	888,398	-	-
Dividend from financial assets at fair value through profit or loss:				
- quoted shares in Malaysia	(55,026)	(38,037)	(24,937)	-
Directors' fees	95,667	85,670	95,667	85,670
Fair value gain on derivative financial instruments	-	(12,675)	-	-
Fair value loss on other investments	91,383	39,873	6,328	-
Fair value gain on investment properties	(6,020,000)	(4,900,000)	-	-
Fair value (gain)/loss on bearer biological assets	(76,518)	2,873	-	-
Gain on disposal of property, plant and equipment	(129,999)	(13,171)	-	-
Gain on disposal of other investments	-	(99,969)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

25. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the followings (cont'd):-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Impairment loss on amount due from subsidiaries	-	-	18,782	16,780
Impairment loss on investment in a subsidiary	-	-	402,767	-
Property, plant and equipment written off	6,298	6,876	-	-
Rental income	(269,682)	(262,306)	-	-
Loss on realised foreign exchange	157,623	35,576	-	-
Loss on unrealised foreign exchange	169,542	62,286	-	-

26. TAX EXPENSE/(INCOME)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax				
- Current financial year	1,072,635	1,587,137	714	840
- Under/(Over) provision in prior financial year	99,267	(25,454)	(5,560)	(881)
	1,171,902	1,561,683	(4,846)	(41)
Deferred tax				
- Current financial year	329,872	742,694	-	-
- Crystallisation of deferred tax upon depreciation of revalued assets	(144,212)	(140,506)	-	-
- Under recognised in prior financial year	4,500	57,400	-	-
	190,160	659,588	-	-
	1,362,062	2,221,271	(4,846)	(41)

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

26. TAX EXPENSE/(INCOME) (CONT'D)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follow:-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before tax	8,787,027	12,408,716	11,340,320	(15,092)
Tax at statutory tax rate of 24%	2,108,886	2,978,092	2,721,677	(3,622)
Tax effects in respect of:-				
Income not subject to tax	(1,610,763)	(1,358,388)	(2,919,320)	(105,511)
Expenses not deductible for tax purposes	233,884	195,829	198,357	109,973
Crystallisation of deferred tax upon depreciation of revalued assets	(144,212)	(140,506)	-	-
Additional deferred tax on real property gain tax	670,500	514,298	-	-
Under recognised of deferred tax in prior financial year	4,500	57,400	-	-
Under/(Over) provision of tax expense in prior financial year	99,267	(25,454)	(5,560)	(881)
	1,362,062	2,221,271	(4,846)	(41)

Tax recognised in other comprehensive income

	Group	
	2024	2023
	RM	RM
Revaluation of land and buildings	239,692	329,622

Deferred tax assets are not recognised for the following temporary differences (stated at gross amount):-

	Group	
	2024	2023
	RM	RM
Unutilised business losses	17,488	17,488
Unabsorbed capital allowances	2,296	2,296
	19,784	19,784

Deferred tax assets are not recognised for the above temporary differences as it is not probable that future taxable profits will be available against which the unutilised business losses and unabsorbed capital allowances can be utilised by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

26. TAX EXPENSE/(INCOME) (CONT'D)

Tax recognised in other comprehensive income (cont'd)

Tax losses for which no deferred tax asset was recognised expire as follows:-

	Group	
	2024	2023
	RM	RM
Year of assessment ("YA")		
YA 2028	17,488	17,488

27. EARNINGS PER SHARE

Group

The basic/diluted earnings per ordinary share have been calculated based on the net profit attributable to ordinary equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year:-

	Group	
	2024	2023
Net profit attributable to ordinary equity holders of the Company (RM)	7,424,965	10,187,445
Weighted average number of ordinary shares in issue	117,738,831	119,126,961
Basic/Diluted earnings per share (sen)	6.31	8.55

28. DIVIDENDS

	Group and Company	
	2024	2023
	RM	RM

In respect of the financial year ended 31 October 2024:-

First interim single tier dividend of RM0.01 per ordinary share, paid on 18 March 2024	1,180,076	-
Second interim single tier dividend of RM0.02 per ordinary share, paid on 28 October 2024	2,339,985	-

In respect of the financial year ended 31 October 2023:-

First interim single tier dividend of RM0.01 per ordinary share, paid on 10 March 2023	-	1,195,039
Second interim single tier dividend of RM0.02 per ordinary share, paid on 23 October 2023	-	2,366,275
	3,520,061	3,561,314

The Directors do not recommend any final dividend payment for the current and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

29. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries and other emoluments	6,549,414	6,039,816	18,000	33,000
Defined contribution plans	592,990	571,531	-	-
Social security contribution	91,751	86,205	-	-
	<u>7,234,155</u>	<u>6,697,552</u>	<u>18,000</u>	<u>33,000</u>

Included in the employee benefits expense is the Directors' remuneration as below:-

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM

Directors of the Company

Executive Directors:-

Salaries and other emoluments	1,108,828	1,044,188	-	-
Defined contribution plans	141,379	135,122	-	-
Social security contribution	6,605	7,377	-	-
	<u>1,256,812</u>	<u>1,186,687</u>	<u>-</u>	<u>-</u>

Non-Executive Directors:-

Salaries and other emoluments	18,000	33,000	18,000	33,000
-------------------------------	--------	--------	--------	--------

Director of the subsidiaries

Non-Executive Director:-

Salaries and other emoluments	174,230	-	-	-
Defined contribution plans	22,490	-	-	-
Social security contribution	2,842	-	-	-
	<u>199,562</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,474,374</u>	<u>1,219,687</u>	<u>18,000</u>	<u>33,000</u>

The estimated monetary value of benefits-in-kind received by the Directors of the Company and subsidiaries other than cash from the Group is RM53,400 (2023: RM43,067).

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

30. RELATED PARTY DISCLOSURES

Related party transactions and balances

The significant related party transactions during the financial year were as follows:-

	Company	
	2024	2023
	RM	RM
Advances to a subsidiary	10,000	1,010,000
Dividend income received from subsidiaries	11,833,333	-
Payment made on behalf to a subsidiary	8,782	6,780

The outstanding balances arising from the related party transactions as at the reporting date are disclosed in Note 6 to the financial statements.

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.

The remuneration of key management personnel is same with the Directors' remuneration as disclosed in Notes 25 and 29 to the financial statements. The Group and the Company have no other members of key management personnel apart from the Board of Directors.

31. FINANCIAL INSTRUMENTS

31.1 Categories of Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Amortised costs ("AC"); and
- (ii) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

	Carrying amount	AC	FVTPL
	RM	RM	RM
Group			
2024			
Financial assets			
Trade receivables	2,342,732	2,342,732	-
Other receivables	105,704	105,704	-
Deposits with licensed financial institutions	27,574,399	27,574,399	-
Cash and bank balances	7,488,218	7,488,218	-
Other investments	2,555,649	-	2,555,649
	<u>40,066,702</u>	<u>37,511,053</u>	<u>2,555,649</u>

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (i) Amortised costs ("AC"); and
- (ii) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
Group (cont'd)			
2024 (cont'd)			
Financial liabilities			
Trade payables	459,012	459,012	-
Other payables	2,030,646	2,030,646	-
Borrowings	11,938,775	11,938,775	-
	<u>14,428,433</u>	<u>14,428,433</u>	<u>-</u>
2023			
Financial assets			
Trade receivables	2,955,683	2,955,683	-
Other receivables	111,630	111,630	-
Deposits with licensed financial institutions	35,740,602	35,740,602	-
Cash and bank balances	4,090,902	4,090,902	-
Other investments	1,063,982	-	1,063,982
	<u>43,962,799</u>	<u>42,898,817</u>	<u>1,063,982</u>
Financial liabilities			
Trade payables	365,897	365,897	-
Other payables	2,005,947	2,005,947	-
Borrowings	13,562,911	13,562,911	-
	<u>15,934,755</u>	<u>15,934,755</u>	<u>-</u>
Company			
2024			
Financial assets			
Other receivables	1,000	1,000	-
Amount due from a subsidiary	2,487,696	2,487,696	-
Deposits with licensed financial institutions	9,687,567	9,687,567	-
Cash and bank balances	3,170,895	3,170,895	-
Other investments	1,320,325	-	1,320,325
	<u>16,667,483</u>	<u>15,347,158</u>	<u>1,320,325</u>
Financial liability			
Other payables	<u>46,714</u>	<u>46,714</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.1 Categories of Financial Instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- (i) Amortised costs ("AC"); and
- (ii) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
Company (cont'd)			
2023			
Financial assets			
Other receivables	1,000	1,000	-
Amount due from a subsidiary	7,200,000	7,200,000	-
Deposits with licensed financial institutions	9,391,001	9,391,001	-
Cash and bank balances	94,332	94,332	-
	16,686,333	16,686,333	-
Financial liability			
Other payables	44,400	44,400	-

31.2 Financial Risk Management

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy of the Group and of the Company in respect of the major areas of treasury activity are set out as follows:-

31.2.1 Credit Risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Group and the Company. For other financial assets, the Group and the Company adopt the policy of dealing with reputation institutions.

Following are the areas where the Group and the Company are exposed to credit risk.

Exposure to credit risk

The Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.1 Credit Risk (cont'd)

Receivables

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and take appropriate actions to recover long overdue balances. For trade receivables' credit term that are past due but not impaired, the Group's debt recovery process is the Group will initiate a structured debt recovery process which is monitored via management reporting procedures.

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected credit losses for all trade receivables. The Group evaluates the credit losses on a case-by-case basis.

The Group assesses the expected loss rates based on historical payment profiles of the trade receivables and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the financial capability of the debtor and default or significant delay in payments. No significant changes to estimation techniques or assumptions were made during the reporting period.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Trade receivables that are written off are still subjected to enforcement activities.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Set out below is the information about the credit risk exposure and ECLs on the Company's trade receivables are as follows:-

Group	Current RM	Days past due				Total RM
		1 to 30 days RM	31 to 60 days RM	61 to 90 days RM	More than 90 days RM	
2024						
Gross carrying amount	1,802,074	389,891	107,203	18,931	24,633	2,342,732
2023						
Gross carrying amount	2,211,731	449,212	118,035	159,805	16,900	2,955,683

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.1 Credit Risk (cont'd)

Receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

Credit risk concentration profile

The credit risk concentration profile by geographical on trade receivables of the Group as at the reporting date is as follows:-

	2024		2023	
	RM	%	RM	%
By country				
Malaysia	1,322,469	56	1,501,275	51
European	155,758	7	1,078,946	36
United States	543,054	23	120,175	4
China	321,451	14	255,287	9
	<u>2,342,732</u>	<u>100</u>	<u>2,955,683</u>	<u>100</u>

As at the reporting date, 51% (2023: 42%) of the Group's trade receivables are due from 3 customers (2023: 3 customers).

The Group continuously monitors credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. External credit ratings and/or reports on customers and other counterparties may also be used.

Other investments

As at reporting date, the Group and the Company invested in domestic shares and golf club membership. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Investments are mostly in liquid securities and only with counterparties that have a good credit rating to or better than the Group and the Company.

In view of the sound credit rating of counterparties, management does not expect any counterparty fail to meet its obligations.

Financial guarantee/Corporate guarantee

The maximum exposure to credit risk of RM11,938,775 (2023: RM13,562,911) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting year.

The Company provides financial guarantees to banks in respect of banking facilities granted to subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting year, there was no indication that the subsidiaries would default on repayment.

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.1 Credit Risk (cont'd)

Financial guarantee/Corporate guarantee (cont'd)

The corporate guarantee does not have a determinable effect on the term of the credit facilities due to the bank requiring parent's guarantees as a pre-condition for approving the banking facilities granted to the subsidiaries. The actual terms of credit facilities are likely to be the best indicator of "at market" term and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

Intercompany balances

The Company provides advances to subsidiaries and monitors the ability of the subsidiaries to repay the advances on an individual basis.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers the advances to be credit impaired when the subsidiaries are unlikely to repay the advance to the Company in full, the advance is overdue for more than a year, or the subsidiaries are continuously loss making and having deficit in shareholders' funds.

The Company determines the probability of default for these advances individually using internal information available.

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default. Consequently, the Group and the Company are of the view that the allowance is not material and hence, it is not provided for.

31.2.2 Liquidity Risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due as a result of shortage of funds.

In managing its exposure to liquidity risk arises principally from its various payables, the Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.2 Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follows:-

			Current	Non-current	
	Carrying amount RM	Total contractual cash flows RM	Within 1 year RM	2 to 5 years RM	More than 5 years RM
Group					
2024					
Non-derivative financial liabilities					
Trade payables	459,012	459,012	459,012	-	-
Other payables	2,030,646	2,030,646	2,030,646	-	-
Borrowings	11,938,775	14,294,006	2,188,416	6,835,721	5,269,869
Lease liabilities	9,424,486	24,040,942	488,455	1,953,818	21,598,669
Total undiscounted financial liabilities	23,852,919	40,824,606	5,166,529	8,789,539	26,868,538
2023					
Non-derivative financial liabilities					
Trade payables	365,897	365,897	365,897	-	-
Other payables	2,005,947	2,005,947	2,005,947	-	-
Borrowings	13,562,911	16,454,135	2,188,416	8,290,116	5,975,603
Lease liabilities	9,355,378	24,255,162	482,470	1,984,320	21,788,372
Total undiscounted financial liabilities	25,290,133	43,081,141	5,042,730	10,274,436	27,763,975

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.2 Liquidity Risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follows (cont'd):-

	Carrying amount RM	Total contractual cash flows RM	Current Within 1 year RM	Non-current 2 to 5 years RM	More than 5 years RM
Company					
2024					
Non-derivative financial liabilities					
Other payables	46,714	46,714	46,714	-	-
Total undiscounted financial liabilities	46,714	46,714	46,714	-	-
Corporate guarantee*	-	11,938,775	11,938,775	-	-
2023					
Non-derivative financial liabilities					
Other payables	44,400	44,400	44,400	-	-
Total undiscounted financial liabilities	44,400	44,400	44,400	-	-
Corporate guarantee*	-	13,562,911	13,562,911	-	-

* This exposure of liquidity risk is included for illustration purpose only as related financial guarantee has not crystallised.

The above amounts reflect the contractual undiscounted cash flows, which differ from the carrying values of financial liabilities at the reporting date.

31.2.3 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's exposure to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily Euro ("EURO"), United Stated Dollar ("USD") and Singapore Dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.3 Foreign Currency Risk (cont'd)

The Group's exposure to foreign currency risk, based on carrying amounts as at the reporting date are as follows (foreign currency balances are unhedged):-

	Denominated in		
	EURO RM	USD RM	SGD RM
Group			
2024			
Trade receivables	151,906	868,317	-
Cash and bank balances	191,070	1,540,718	5,354
Trade payables	-	(232,001)	-
Other payables	-	(14,430)	-
	<u>342,976</u>	<u>2,162,604</u>	<u>5,354</u>
2023			
Trade receivables	321,726	1,132,682	-
Cash and bank balances	256,011	751,328	3,327
Trade payables	-	(47,493)	-
	<u>577,737</u>	<u>1,836,517</u>	<u>3,327</u>

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit/equity for the financial year to a reasonably possible change in the EURO, USD and SGD exchange rates against the functional currency of the Group, with all other variables held constant.

	Increase/(Decrease) on profit/ equity for the financial year	
	2024 RM	2023 RM
Group		
EURO/RM		
- Strengthened 1%	3,430	5,777
- Weakened 1%	(3,430)	(5,777)
USD/RM		
- Strengthened 1%	21,626	18,365
- Weakened 1%	(21,626)	(18,365)
SGD/RM		
- Strengthened 1%	54	33
- Weakened 1%	<u>(54)</u>	<u>(33)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.3 Foreign Currency Risk (cont'd)

This percentage has been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

31.2.4 Interest Rate Risk

Interest rate risk is caused by changes in market interest rate resulting in fluctuation in fair value or future cash flows of financial instruments of the Group and of the Company. The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at reporting date are as follows:-

	2024 RM	2023 RM
Group		
<u>Fixed rate instruments</u>		
<u>Financial asset</u>		
Deposits with licensed financial institutions	27,574,399	35,740,602
<u>Financial liability</u>		
Lease liabilities	(9,424,486)	(9,355,378)
Net financial assets	<u>18,149,913</u>	<u>26,385,224</u>
<u>Floating rate instrument</u>		
<u>Financial liability</u>		
Term loans	<u>11,938,775</u>	<u>13,562,911</u>
Company		
<u>Fixed rate instrument</u>		
<u>Financial asset</u>		
Deposits with licensed financial institutions	<u>9,687,567</u>	<u>9,391,001</u>
<u>Fair value sensitivity analysis for fixed rate instruments</u>		

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss and does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss and equity.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.2 Financial Risk Management (cont'd)

31.2.4 Interest Rate Risk (cont'd)

Fair value sensitivity analysis for floating rate instruments

At the reporting date, if interest rate had been 50 (2023: 50) basis points lower/higher, with all the other variable held constant, the Group's profit/equity for the financial year would have been RM59,694 (2023: RM67,815) higher/lower, arising mainly from lower/higher interest expense on floating rate borrowings.

31.2.5 Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than foreign exchange or interest rates). Equity price risk arises from the Group's investments in equity securities quoted in Bursa Malaysia Securities Berhad.

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the authorised person of the Group.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and all the Group's equity investments moved in percentage of the share price.

A 3% (2023: 3%) increase in share price of each counter at the reporting date would have increase the Group's and the Company's profit/equity for the financial year by RM75,142 and RM39,610 (2023: RM30,392 and RMNil) respectively. A 3% (2023: 3%) weakening in the share price of each counter would have equal but opposite effect on the Group's and the Company's profit/equity for the financial year.

31.3 Fair Value Measurement of Financial Instruments

The carrying amounts of financial assets and financial liabilities at the reporting date approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The following method and assumptions summarised below are used to determine the fair values of each class of financial instruments:-

Quoted securities

The fair value of quoted securities is determined by reference to their closing prices or quoted closing bid prices at the reporting date.

Club membership

The fair value of the club membership is determined based on the fair value obtained from the club membership's website whereby the quote obtained reflected transactions in similar instruments.

Unquoted investment

The fair value of the unquoted investment is determined based on the adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities. Fair value of its assets and liabilities are the significant unobservable inputs used in the valuation method and the higher the net assets, the higher the fair value of the unquoted investment.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

31. FINANCIAL INSTRUMENTS (CONT'D)

31.4 Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable (cont'd).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2024				
Financial assets at FVTPL				
Other investments				
- Golf club membership	-	49,000	-	49,000
- Unquoted shares	-	-	1,924	1,924
- Quoted shares	2,504,725	-	-	2,504,725
	<u>2,504,725</u>	<u>49,000</u>	<u>1,924</u>	<u>2,555,649</u>
2023				
Financial assets at FVTPL				
Other investments				
- Golf club membership	-	49,000	-	49,000
- Unquoted shares	-	-	1,924	1,924
- Quoted shares	1,013,058	-	-	1,013,058
	<u>1,013,058</u>	<u>49,000</u>	<u>1,924</u>	<u>1,063,982</u>
Company				
2024				
Financial assets at FVTPL				
Other investments				
- Quoted shares	<u>1,320,325</u>	<u>-</u>	<u>-</u>	<u>1,320,325</u>

There were no transfers between of levels in financial year 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

32. CAPITAL MANAGEMENT

The Group's and the Company's objective when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal gearing ratio that complies with debt covenants and regulatory requirements.

The Group monitors capital using a gearing ratio measured in percentage, which are the total interest-bearing borrowings over owners' equity. The Group's policy is to keep the gearing ratio below 50%. The borrowings include term loans and lease liabilities while owners' equity refers to the equity attributable to the owners of the Company.

	Group	
	2024	2023
	RM	RM
Term loans	11,938,775	13,562,911
Lease liabilities	9,424,486	9,355,378
	<u>21,363,261</u>	<u>22,918,289</u>
Owners' equity	<u>139,201,715</u>	<u>135,626,029</u>
Gearing ratio (times)	<u>0.15</u>	<u>0.17</u>

There were no changes in the Group's approach to capital management during the financial year.

33. OPERATING SEGMENT

Business segment

For management purposes, the Group is organised into four major business units based on their products and services which comprises the following:-

- (a) Manufacturing and trading - Manufacturing and sales of precision engineering moulds and other precision machine parts
- (b) Investment - Investment holding, letting of properties and properties investment
- (c) Plantation - Cultivation of oil palm
- (d) Joint property development - Property development

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain aspects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on negotiated basis.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

33. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

	Note	Manufacturing and trading RM	Investment RM	Plantation RM	Joint property development RM	Elimination RM	Total RM
2024							
Revenue:-							
External revenue		11,125,342	3,130,284	7,162,400	275,655	-	21,693,681
Inter-segment revenue	(a)	-	11,854,933	-	-	(11,854,933)	-
Total revenue		11,125,342	14,985,217	7,162,400	275,655	(11,854,933)	21,693,681
Results:-							
Finance income		572,222	320,800	191,602	120,965	-	1,205,589
Finance costs		-	(536,218)	(463,506)	-	-	(999,724)
Depreciation		(1,253,026)	-	(736,906)	-	-	(1,989,932)
Other non-cash income/(expenses)	(b)	(267,223)	5,560,000	76,518	460,000	-	5,829,295
Tax expense		248,590	(1,014,780)	(474,154)	(121,718)	-	(1,362,062)
Segment profit		(927,960)	17,725,052	1,526,771	498,486	(11,397,384)	7,424,965
Assets:-							
Segment assets	(c)	59,910,166	127,877,726	18,544,602	6,098,891	(37,848,921)	174,582,464
Additions to non-current assets	(d)	543,714	800,000	482,408	-	(800,000)	1,026,122
Liabilities:-							
Segment liabilities	(e)	1,564,680	1,648,499	2,855,587	182,127	(3,701,629)	2,549,264

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

33. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

	Note	Manufacturing and trading RM	Investment RM	Plantation RM	Joint property development RM	Elimination RM	Total RM
2023							
Revenue:-							
External revenue		16,854,608	3,009,472	6,152,768	1,225,890	-	27,242,738
Inter-segment revenue	(a)	-	21,600	-	-	(21,600)	-
Total revenue		16,854,608	3,031,072	6,152,768	1,225,890	(21,600)	27,242,738
Results:-							
Finance income		486,555	444,677	138,784	120,289	-	1,190,305
Finance costs		(3,660)	(579,367)	(454,893)	-	-	(1,037,920)
Depreciation		(1,297,589)	-	(847,842)	-	-	(2,145,431)
Other non-cash income/(expenses)	(b)	203,640	4,650,000	(112,873)	60,000	-	4,800,767
Tax expense		(876,116)	(695,400)	(447,897)	(201,858)	-	(2,221,271)
Segment profit		3,177,523	4,785,932	1,455,207	751,002	17,781	10,187,445
Assets:-							
Segment assets	(c)	64,441,099	114,831,742	21,859,519	6,610,625	(35,049,632)	172,693,353
Additions to non-current assets	(d)	1,381,620	-	11,400	-	-	1,393,020
Liabilities:-							
Segment liabilities	(e)	1,598,797	8,036,381	270,877	184,063	(7,622,911)	2,467,207

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

33. OPERATING SEGMENT (CONT'D)

Business segment (cont'd)

Notes:-

- (a) Intersegment revenues are eliminated on consolidation.
- (b) Notes to other non-cash income/(expenses) consist of the following items:-

	2024 RM	2023 RM
Fair value gain on investment properties	6,020,000	4,900,000
Fair value gain/(loss) on bearer biological assets	76,518	(2,873)
Fair value loss on other investments	(91,383)	(39,873)
Fair value gain on derivative financial instruments	-	12,675
Net unrealised loss on foreign exchange	(169,542)	(62,286)
Property, plant and equipment written off	(6,298)	(6,876)
	<u>5,829,295</u>	<u>4,800,767</u>

- (c) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2024 RM	2023 RM
Segment assets	174,582,464	172,693,353
Tax recoverable	540,693	159,103
Total assets	<u>175,123,157</u>	<u>172,852,456</u>

- (d) Additions to non-current assets consist of:-

	2024 RM	2023 RM
Property, plant and equipment	715,722	1,103,120
Right-of-use assets	310,400	289,900
	<u>1,026,122</u>	<u>1,393,020</u>

- (e) The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2024 RM	2023 RM
Segment liabilities	2,549,264	2,467,207
Borrowings	11,938,775	13,562,911
Lease liabilities	9,424,486	9,355,378
Tax payable	237,855	499,721
Deferred tax liabilities	11,771,062	11,341,210
Total liabilities	<u>35,921,442</u>	<u>37,226,427</u>

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2024 (CONT'D)

33. OPERATING SEGMENT (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets are as follows:-

	2024		2023	
	Revenue	Non-current Assets	Revenue	Non-current Assets
	RM	RM	RM	RM
Malaysia*	13,605,298	130,656,479	13,965,048	124,507,555
European	7,753,841	-	9,070,853	-
United States	202,892	-	2,575,462	-
China	131,650	-	1,631,375	-
	<u>21,693,681</u>	<u>130,656,479</u>	<u>27,242,738</u>	<u>124,507,555</u>

Non-current assets excluding financial instruments, i.e. other investments.

* The Company's home country

Information about major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue:-

	RM	%	Operating Segment
2024			
Customer A	4,178,892	19	Plantation
Customer B	2,552,148	12	Manufacturing and trading
	<u>6,731,040</u>	<u>31</u>	
2023			
Customer A	2,940,781	11	Manufacturing and trading
Customer B	3,523,149	13	Manufacturing and trading
Customer C	5,038,908	19	Plantation
	<u>11,502,838</u>	<u>43</u>	

34. CAPITAL COMMITMENT

	Group	
	2024	2023
	RM	RM
Authorised and contracted for in respect of:		
- Purchase of building	-	<u>270,000</u>

ANALYSIS OF SHAREHOLDINGS

AS AT 5 FEBRUARY 2025

Issued Share Capital : 121,836,255 ordinary shares (inclusive of treasury shares of 5,301,980)
 No. of Shareholders : 3,570
 Class of share : Ordinary share
 Voting Rights : One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		No. of Shares*		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	164	-	5,810	-	0.01	-
100 to 1,000	674	4	401,996	642	0.34	-
1,001 to 10,000	1,950	8	9,125,927	31,675	7.83	0.03
10,001 to 100,000	699	8	19,331,647	208,200	16.59	0.18
100,001 to less than 5% of issued shares	58	3	36,333,540	466,100	31.18	0.40
5% and above of issued shares	2	-	50,628,738	-	43.44	-
TOTAL	3,547	23	115,827,658	706,617	99.39	0.61

* Treasury shares excluded

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares Held	% of Shares*
1.	AFFLUENT FUTURE SDN BHD	34,440,003	29.55
2.	TAN LYE HUAT HOLDINGS SDN BHD	16,188,735	13.89
3.	TAN LYE HUAT	3,121,016	2.68
4.	TAN YAW BIN	2,729,970	2.34
5.	TAN KIM LAI	2,395,957	2.06
6.	NG TIONG KANG	2,372,689	2.04
7.	TAN AH HENG	2,264,520	1.94
8.	TAN AI NEE	2,162,000	1.85
9.	TAN SOOK YEE	1,956,484	1.68
10.	TAN LAY HOOI	1,734,100	1.49
11.	TAN AI LENG	1,500,000	1.29
12.	TAN FUNG YING	1,350,000	1.16
13.	TAN ENG LOON	1,231,247	1.06
14.	TAN YAW TUNG	1,056,264	0.91
15.	TAN YAW BIN	974,469	0.84
16.	YAYASAN TERENGGANU	922,500	0.79
17.	TAN AI LING	841,000	0.72
18.	TAN ENG YIK	697,000	0.60
19.	KHOO KIM WEE	600,000	0.51
20.	TAN YAW TUNG	554,115	0.47

ANALYSIS OF SHAREHOLDINGS

AS AT 5 FEBRUARY 2025 (CONT'D)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Names	No. of Shares Held	% of Shares*
21.	LEE KOK HIN	387,300	0.33
22.	TAN SOOK YEE	347,784	0.30
23.	LEE KHIM NGIE	345,000	0.30
24.	LIANG CHEE FONG	342,000	0.29
25.	TAN PEI KAH	292,900	0.25
26.	CHUA CHWEE SIANG	291,300	0.25
27.	TAN HWA	290,475	0.25
28.	TAN PEI WEI	288,875	0.25
29.	PERBADANAN KEMAJUAN NEGERI KEDAH	281,274	0.24
30.	TAN HO FOOT	279,706	0.24
		82,238,683	70.57

* Treasury shares excluded

LIST OF SUBSTANTIAL SHAREHOLDERS

		Direct		Indirect	
		No. of Shares Held	% of Shares*	No. of Shares Held	% of Shares*
1.	AFFLUENT FUTURE SDN BHD	34,440,003	29.55	-	-
2.	TAN LYE HUAT HOLDINGS SDN BHD	16,188,735	13.89	-	-
3.	TAN LYE HUAT	3,121,016	2.68	59,597,824 ⁽¹⁾	51.14
4.	TAN SOOK YEE	2,304,268	1.98	50,628,738 ⁽²⁾	43.45

DIRECTOR'S INTEREST IN SHARES (AS PER THE DIRECTORS' SHAREHOLDINGS)

No.	Name of Directors	Direct		Indirect	
		No. of Shares Held	% of Shares*	No. of Shares Held	% of Shares*
1.	TAN LYE HUAT	3,121,016	2.68	59,597,824 ⁽¹⁾	51.14
2.	TAN SOOK YEE	2,304,268	1.98	50,628,738 ⁽²⁾	43.35
3.	LIM HOCK AUN	-	-	-	-
4.	YOON HIN YEOW	-	-	-	-
5.	THONG CHEE THIM	-	-	-	-
6.	MAK WAI CHIN	-	-	-	-

Notes:

* Treasury shares excluded

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 Tan Yaw Bin (3,704,439 Shares), Tan Yaw Tung (1,610,379 Shares), Tan Fung Ying (1,350,000 Shares) and Tan Sook Yee's (2,304,268 Shares) shareholdings.

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).

LIST OF PROPERTIES

AS AT 31 OCTOBER 2024

Location	Date of Acquisition (A)/ Valuation (V)	Description/ Existing use	Land area/ built-up area (sq metres)	Tenure/age of buildings (years)	Net Book Value RM
Lot 546013 No. 2, Lebuhr Lapangan Perdana 2 Panorama Lapangan Perdana 31350 Ipoh Perak	31/10/2023 (V)	One-and-a-half storey Hypermarket/ rented out	16,088 / 7,150	Freehold / 7	17,800,000
Lot No. Pt 1539 52, Jalan SS 25/28 Taman Mayang 47301 Petaling Jaya Selangor	31/10/2023 (V)	2-storey Terrace Factory (Corner unit) /rented out	481.2 / 987.8	Freehold / 37	4,200,000
Lot No. Pt 1540 50, Jalan SS 25/28 Taman Mayang 47301 Petaling Jaya Selangor	31/10/2023 (V)	2-storey Terrace Factory/rented out	185.8 / 371.6	Freehold / 37	1,500,000
Lot No. Pt 1541 48, Jalan SS 25/28 Taman Mayang 47301 Petaling Jaya Selangor	31/10/2023 (V)	2-storey Terrace Factory/rented out	185.8 / 371.6	Freehold / 37	1,500,000
Lot No. Pt 1542 46, Jalan SS 25/28 Taman Mayang 47301 Petaling Jaya Selangor	31/10/2023 (V)	2-storey Terrace Factory/rented out	185.8 / 371.6	Freehold / 37	1,500,000
Lot No. Pt 1543 44, Jalan SS 25/28 Taman Mayang 47301 Petaling Jaya Selangor	31/10/2023 (V)	2-storey Terrace Factory/rented out	185.8 / 371.6	Freehold / 37	1,500,000
Lot No. Pt 20033* 6, Jalan TSB 1 Taman Industri Sungai Buloh 47000 Sungai Buloh Selangor	31/10/2023 (V)	Industrial building/factory	3715 / 5183	99 year leasehold (24/03/2091) Leasehold / 27	15,800,000
Lot No. Pt 19770* 7, Jalan TSB 9 Taman Industri Sungai Buloh 47000 Sungai Buloh Selangor	31/10/2023 (V)	Factory, Warehouse and office space	3,633 / 3,189	99 year leasehold (24/03/2091) Leasehold / 27	12,500,000
Lot 14, Lorong Keluli 1C Kaw Perindustrian Bukit Raja Seksyen 8, Shah Alam Selangor	31/10/2023 (V)	Warehouse cum office /rented out	16,489/13,383	Freehold / 29	40,400,000

* Leasehold land reclassified as Right-of-Use Assets

LIST OF PROPERTIES

AS AT 31 OCTOBER 2024 (CONT'D)

Location	Date of Acquisition (A)/ Valuation (V)	Description/ Existing use	Land area/ built-up area (sq metres)	Tenure/age of buildings (years)	Net Book Value RM
Lot 2581, 2582, 2583, 2584	31/10/2023 (V)	Land for development	47,063	99 year leasehold (22/08/2081)	13,250,000
AND Lot 2573, 2574, 2575	31/10/2023 (V)		35,354	99 year leasehold (26/10/2081)	
AND Lot 2592 and PT47 Mukim of Ijuk Daerah Kuala Selangor Negeri Selangor	31/10/2023 (V)		22,250	99 year leasehold (22/08/2081)	
Lot No. PT7268 No. 4, Jalan Cecawi 6/9 Section 6, Kota Damansara 47810 Petaling Jaya Selangor	29/08/2013(A)	Double storey corner terrace house / rented out	346	99 year leasehold (04/04/2105)	1,050,000

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting (“**30th AGM**”) of Kumpulan H & L High-Tech Berhad (“**the Company**”) will be held at ClubHouse, Tropicana Golf and Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 25 April 2025 at 11.00 a.m., to transact the following businesses:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 October 2024 together with the Reports of the Directors and Auditors thereon. *[Please refer to Explanatory Note 1 on Ordinary Business]*
2. To approve the payment of Directors’ fees of up to RM99,000 for the financial year ending 31 October 2025. **(Ordinary Resolution 1)**
[Please refer to Explanatory Note 2 on Ordinary Business]
3. To approve the payment of Directors’ benefits of up to RM130,000 for the period immediately after the 30th AGM until the next AGM of the Company to be held in 2026. **(Ordinary Resolution 2)**
[Please refer to Explanatory Note 2 on Ordinary Business]
4. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Constitution of the Company:
(i) Mr Tan Lye Huat
(ii) Mr Yoon Hin Yeow *[Please refer to Explanatory Note 3 & 4 on Ordinary Business]*
(Ordinary Resolution 3)
(Ordinary Resolution 4)
5. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**
[Please refer to Explanatory Note 5 on Ordinary Business]

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:

6. **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 **(Ordinary Resolution 6)**
[Please refer to Explanatory Note 1 on Special Business]

“THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, from time to time, at such price, upon such terms and conditions, and for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for additional shares so issued from Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by the Company at a general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

7. ORDINARY RESOLUTION PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

(Ordinary Resolution 7)
*[Please refer to Explanatory
Note 2 on Special Business]*

“THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements (“**Listing Requirements**”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of issued shares in the Company (“**Shares**”) purchased (“**Purchased Shares**”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“**Proposed Share Buy-Back**”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees’ share scheme established by the Company and/or its subsidiaries;

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- viii. To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.”

8. To transact any other business of which due notice shall have been given.

By Order of the Board

KHOO MING SIANG [SSM PC NO. 202208000150 (MAICSA 7034037)]

CHONG KONG HUI [SSM PC NO. 201908003105 (MIA 25067)]

Company Secretaries

Kuala Lumpur

28 February 2025

Notes:

1. For the purpose of determining who shall be entitled to attend this 30th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 18 April 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 30th AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this 30th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
 - (ii) By electronic means via facsimile
In the case of an appointment made via facsimile transmission, this proxy form must be received at 03-7890 4670.

For option (ii), the Company may request any member to deposit original executed proxy form to its Share Registrar before or on the day of meeting for verification purpose.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure **ALL** the particulars as required in this proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging this proxy form is **Wednesday, 23 April 2025 at 11.00 a.m.**
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - (a) Identity card (NRIC) (Malaysian), or
 - (b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - (c) Passport (Foreigner).
13. For a corporate member who has appointed a representative instead of a proxy to attend this 30th AGM, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's Share Registrar office earlier.

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. **Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 October 2024**

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this item on the Agenda is not being put forward for voting by shareholders of the Company.

2. **Ordinary Resolutions 1 and 2 – Payment of Directors' Fees and Benefits**

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' fees for the current financial year basis, calculated based on the size of the current Board of Directors ("**Board**").

The proposed Ordinary Resolution 2 for the Directors' benefits are benefits payable to the Executive Directors and meeting allowances payable to Non-Executive Directors and in determining the estimated amount, the Board has considered various factors including the current Board size and the number of scheduled Board and Committee meetings as well as additional two (2) Board/Committee meetings (if required) for the period immediately after the 30th AGM until the next AGM.

In the event the proposed amount of Directors' fees and/or benefits are insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the under-provision.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

3. **Ordinary Resolution 3 – Re-election of Director pursuant to Clause 76(3) of the Company’s Constitution – Mr Tan Lye Huat**

Mr Tan Lye Huat (“**Mr Tan**”) is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at the 30th AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profile of Mr Tan is set out in the Directors’ profile of the Annual Report 2024. The Board has through the Nomination Committee (“**NC**”), considered his assessment of and agreed that he meets the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on character, experience, integrity, competence and time commitment to effectively discharge his role as Director. The justifications to support the Board’s recommendation to re-elect Mr Tan is as follows:

- (a) Mr Tan, the Group Executive Chairman and Managing Director of the Company, is primarily responsible for managing daily operations which include driving profitability, managing the company organisational structure, strategy and communicating with the Board. He assures the Board that the management team is carrying out their duties in line with the long-term strategies and targets set by the Board and ensures the Board’s decisions are executed effectively. He has exercised his due care and carried out professional duties proficiently during his tenure as the Group Executive Chairman and Managing Director of the Company.

Based on the above, the Board, save for Mr Tan and Ms Tan Sook Yee who have abstained from deliberation and voting, collectively agreed that he had met the criteria as prescribed by Paragraph 2.20A of the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge his role as Director and recommended him be re-elected as Director of the Company.

4. **Ordinary Resolution 4 – Re-election of Director pursuant to Clause 76(3) of the Company’s Constitution – Mr Yoon Hin Yeow**

Mr Yoon Hin Yeow (“**Mr Yoon**”) is standing for re-election as Director of the Company and being eligible, has offered himself for re-election at the 30th AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profile of Mr Yoon is set out in the Directors’ profile of the Annual Report 2024. The Board, save for Mr Yoon who has abstained from deliberation and voting, has through the NC, considered his assessment of and agreed that he meets the criteria as prescribed by Paragraph 2.20A of the Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge his role as Director.

The Board, save for Mr Yoon who has abstained from deliberation and voting, has also through the NC conducted an assessment on the independence of Mr Yoon and is satisfied that he has complied with the criteria on independence as prescribed by the Listing Requirements of Bursa Securities.

5. **Ordinary Resolution 5 – Re-appointment of Auditors**

The Board has through the Audit and Risk Management Committee (“**ARMC**”), considered the re-appointment of Messrs Grant Thornton Malaysia PLT as External Auditors of the Company. The factors considered by the ARMC in making recommendation to the Board to table the re-appointment of Messrs Grant Thornton Malaysia PLT at the forthcoming AGM, included assessment of the Auditors’ independence and objectivity, calibre and quality process/performance.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. **Ordinary Resolution 6 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 6, if passed, would renew the mandate granted to the Directors at the 29th AGM held on 18 April 2024 and provide flexibility to the Directors to undertake fundraising activities including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), business expansion, working capital and/or acquisition(s) at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

As at the date of this Notice, the Company did not allot any shares pursuant to the shareholders' mandate granted to the Directors at the 29th AGM as there were no requirements for such fundraising activities.

2. **Ordinary Resolution 7 – Proposed Renewal of Authority for the Company to purchase its own shares**

The proposed Ordinary Resolution 7, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company.

Please refer to the Statement to Shareholders dated 28 February 2025 in relation to the Proposed Renewal of Authority for Share Buy-Back for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. There were no Directors standing for election (excluding Directors standing for a re-election) at the 30th AGM.
2. Please refer to Explanatory Note 1 on Special Business for information relating to general mandate for issue of securities.

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 and undertakes that the member shall indemnify the Company and/or to keep the Company fully indemnified and save the Company harmless against all and/or any actions, demands, claims, losses, costs, proceedings and damages (including all legal fees and costs) which the Company may suffer or incur in any manner howsoever arising from or as a result of the member's breach of the aforementioned warranty.

KUMPULAN H & L HIGH-TECH BERHAD

[Registration No. 199401032123 (317805-V)]
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares held	

PROXY FORM

I/We, _____ Tel: _____
[Full name in block and as per NRIC/Passport/Company Registration No.]

of _____
(Address)

being a member of **Kumpulan H & L High-Tech Berhad**, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as ^my/our proxy to vote for ^me/us and on ^my/our behalf, at the Thirtieth Annual General Meeting ("30th AGM") of the Company to be held at **ClubHouse, Tropicana Golf and Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan** on **Friday, 25 April 2025 at 11.00 a.m.** or any adjournment thereof, and to vote as indicated below:

RESOLUTIONS	DESCRIPTION OF RESOLUTION	#FOR	#AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees of up to RM99,000 for the financial year ending 31 October 2025.		
Ordinary Resolution 2	To approve the payment of Directors' benefits of up to RM130,000 for the period immediately after the 30th AGM until the next AGM of the Company.		
Ordinary Resolution 3	To re-elect Mr Tan Lye Huat, who retires pursuant to Clause 76(3) of the Company's Constitution, as Director.		
Ordinary Resolution 4	To re-elect Mr Yoon Hin Yeow, who retires pursuant to Clause 76(3) of the Company's Constitution, as Director.		
Ordinary Resolution 5	To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	To grant authority to Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 7	To approve the Proposed Renewal of Authority for Share Buy-Back.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____

Signature*
Member

*Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one (1) shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- For the purpose of determining who shall be entitled to attend this 30th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 18 April 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this 30th AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.
- A member entitled to attend and vote at this 30th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - In hard copy form
In the case of an appointment made in hard copy form, this proxy form must be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.
 - By electronic means via facsimile
In the case of an appointment made via facsimile transmission, this proxy form must be received at 03-7890 4670.
- For option (ii), the Company may request any member to deposit original executed proxy form to its Share Registrar before or on the day of meeting for verification purpose.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure **ALL** the particulars as required in this proxy form are completed, signed and dated accordingly.
- Last date and time for lodging this proxy form is **Wednesday, 23 April 2025 at 11.00 a.m.**
- Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - Identity card (NRIC) (Malaysian), or
 - Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - Passport (Foreigner).
- For a corporate member who has appointed a representative instead of a proxy to attend this 30th AGM, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's Share Registrar office earlier.

Fold this flap for sealing

Then Fold Here

AFFIX
STAMP

KUMPULAN H & L HIGH-TECH BERHAD
[199401032123 (317805-V)]

c/o Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

1st Fold Here



KUMPULAN H & L HIGH-TECH BERHAD

[199401032123 (317805-V)]

No. 6, Jalan TSB 1, Taman Industri Sungai Buloh
47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia
Tel: +603 6157 6339 Fax: +603 6156 8918

www.hlhightech.com