

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 OCTOBER 2020 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
		31-Oct-2020 RM' 000	31-Oct-2019 RM' 000	31-Oct-2020 RM' 000	31-Oct-2019 RM' 000
		Unaudited	Unaudited	Unaudited	Audited
Revenue	B1	5,359	5,760	18,507	22,619
Operating Expenses		(4,086)	(4,976)	(16,871)	(19,293)
Other Income		376	127	1,726	1,290
Gain on derivative financial instrument		(1)	-	2	-
Investing Income		16	10	48	42
Finance costs		(387)	(102)	(710)	(321)
Profit before tax	B2	1,277	819	2,702	4,337
Tax expense	B5	38	(25)	(275)	(979)
Profit after tax		1,315	794	2,427	3,358
Other Comprehensive Income:					
Exchange translation reserve		-	-	-	-
Fair value reserve		207	-	207	57
Other Comprehensive Income net of tax		207	-	207	-
Total Comprehensive Income		1,522	794	2,634	3,415
Profit/(Loss) attributable to:					
Equity holders of the Company		1,315	794	2,427	3,358
Non-Controlling Interest		-	-	-	-
		1,315	794	2,427	-
Total comprehensive income attributable to:					
Equity holders of the Company		1,522	794	2,634	3,415
Non-Controlling Interest		-	-	-	-
		1,522	794	2,634	3,415
Earnings per share attributable to equity holders of the Company:	B10				
-Basic EPS (sen)		3.60	2.17	6.64	9.18
-Diluted EPS (sen)		N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2019 and the accompanying explanatory notes attached to the interim financial statement.)

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 OCTOBER 2020 (UNAUDITED)**

	AS AT 31-Oct-2020 (Unaudited) RM' 000	AS AT 31-Oct-2019 (Audited)/Restated RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	8,914	22,510
Right-of-use Assets	25,798	-
Prepaid Lease Payments	-	2,365
Investment Properties	55,940	55,840
Land Held for Development	294	294
Other investment	70	70
	<u>91,016</u>	<u>81,079</u>
CURRENT ASSETS		
Inventories	2,361	4,159
Bearer Biological Assets	142	88
Trade Receivables	2,738	2,851
Other Receivables, Deposit & Prepayments	289	332
Other Investments	1,069	821
Tax Recoverable	-	52
Cash & Cash Equivalents	26,785	25,902
	<u>33,386</u>	<u>34,205</u>
TOTAL ASSETS	<u>124,402</u>	<u>115,284</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share Capital	40,612	40,612
Treasury Share, At Cost	(3,554)	(3,554)
Revaluation Reserves	8,575	8,368
Retained Earnings	B13 50,828	49,498
TOTAL EQUITY	<u>96,461</u>	<u>94,924</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	B7 9,951	10,057
Lease Liabilities	9,175	-
Deferred Tax	5,986	6,064
	<u>25,112</u>	<u>16,121</u>
CURRENT LIABILITIES		
Trade Payables	192	459
Other Payables, Deposits & Accruals	1,880	2,359
Contract Liabilities		84
Short Term Borrowings	B7 649	988
Lease Liabilities	32	-
Derivative financial liabilities	1	2
Provision For Taxation	75	347
	<u>2,829</u>	<u>4,239</u>
TOTAL EQUITY AND LIABILITIES	<u>124,402</u>	<u>115,284</u>
NET ASSETS PER SHARE(RM)	2.6372	2.5952

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2019 and the accompanying explanatory notes attached to the interim financial statements).

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Registration No. 199401032123 (317805-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 OCTOBER 2020 (UNAUDITED)

		<-----Attributable to Equity Holders of the Company ----->						Minority Interest	Total Equity
		Share Capital	<-----Non distributable-----> Revaluation Reserve	Exchange translation reserve	<-----Distributable-----> Treasury Share	Retained Earnings	Total		
		(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
12 months ended									
31 October 2020									
Balance as 01 November 2019	Audited	40,612	8,368	0	-3,554	49,498	94,924	0	94,924
<i>Total comprehensive income:-</i>									
Profit for the year						2,427	2,427	0	2,427
Revaluation Reserve			207				207		207
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	-1,097	-1,097	0	-1,097
Balance as 31 October 2020	Unaudited	40,612	8,575	0	-3,554	50,828	96,461	0	96,461
		-	-	-	-	-	-	-	-
12 months ended									
31 October 2019									
Balance as 01 November 2018		40,612	8,310	0	-3,554	47,420	92,788	0	92,788
<i>Total comprehensive income:-</i>									
Profit/(Loss) for the year			0			3,358	3,358	0	3,358
Revaluation Reserve			58				58		58
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	-1,280	-1,280	0	-1,280
Balance as 31 October 2019	Audited	40,612	8,368	0	-3,554	49,498	94,924	0	94,866
		-	-	-	-	-	-	-	-

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2019 and the accompanying explanatory notes attached to the interim financial statement.)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 OCTOBER 2020 (UNAUDITED)

	2020 12 MONTHS ENDED 31-Oct-2020 (RM'000) Unaudited	2019 12 MONTHS ENDED 31-Oct-2019 (RM'000) Audited
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	2,703	4,337
<i>ADJUSTMENTS:-</i>		
NON CASH ITEMS	979	1,686
NON OPERATING ITEMS (INVESTING/FINANCING)	(11)	(359)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,671	5,664
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	1,872	10
RECEIVABLES	208	162
PROPERTY DEVELOPMENT COST	(75)	-
PAYABLES	(745)	(1,329)
CONTRACT LIABILITIES		84
CASH GENERATED FROM OPERATIONS	4,931	4,591
TAX REFUND	121	269
TAX PAID	(746)	(1,499)
NET CASH GENERATED FROM OPERATING ACTIVITIES	4,306	3,361
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
INTEREST RECEIVED	592	569
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(2,036)	(1,104)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	(4)	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	48	42
PROCEED FROM DISPOSAL OF QUOTED SHARES	-	586
PURCHASE OF QUOTED SHARES	(164)	(1,036)
NET CASH USED IN INVESTING ACTIVITIES	(1,564)	(943)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
INTEREST PAID	(406)	(321)
DIVIDEND PAID	(1,097)	(1,280)
NET DRAWDOWN/(REPAYMENT) OF BANK BORROWING	(446)	7,470
NET CASH USED IN FINANCING ACTIVITIES	(1,949)	5,869
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	793	8,287
CURRENCY TRANSLATION DIFFERENCE	-	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	25,902	17,616
CASH AND CASH EQUIVALENTS AT END OF PERIOD	26,695	25,902
	(90.00)	

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2019 and the accompanying explanatory notes attached to the interim financial statement.)

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Notes to quarterly report for the quarter ended 31 October 2020

Part A-Explanatory Notes Pursuant to FRS 134

A1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures for the quarter ended 31 October 2020 have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2019.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 October 2019 except for the following:-

MFRS 16 Lease

The right-of-use asset is recognized and measured at cost, and subsequently measured at cost, less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

A2. Seasonal or cyclical of interim operations

The Group's business operations were not affected by any seasonal or cyclical factors.

A3. Unusual items affecting assets, liabilities, equity, net income or cash flows

There are no unusual items of nature, size or incidence that affect the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A4. Material changes in estimates

There were no changes in the nature and amount of changes in estimates of amounts reported in the immediate preceding quarter or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter under review.

A5. Capital management, issuances, repurchase, and repayment of debts and equity instruments

The Group's objective of managing capital are to safeguard the Group's ability to continue in operations as going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

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The Group's strategy is to maintain a maximum gearing ratio of 50%. The ratio is calculated as the total liabilities to total equity.

The gearing ratios as at 31 October 2020 and 31 October 2019, which are within the Group's objectives for capital management, are as follows:

As At	31-Oct-2020 (Unaudited) RM'000	31-Oct-2019 (Audited) RM'000
Total borrowings	10,600	11,045
Total equity	96,461	94,924
Total capital	107,061	105,969
Gearing Ratio	11.0%	11.6%

There were no shares issued, shares cancellation, resale of treasury shares and repayments of debts and equity securities during the current quarter.

On 28 March 2007, approval has been obtained from the shareholders for the Company to buy-back its own shares. The authority granted by the shareholders was subsequently renewed in the Annual General Meeting held on 28 July 2020. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy-back scheme can be applied in the best interest of the Company and its shareholders.

There were no changes to the treasury shares during the quarter under review.

A6. Dividends paid

During the quarter under review, an interim dividend of 1 sen per Ordinary Shares for Financial Year Ended 31 October 2020 has been paid in October 2020.

A7. Operating segment information

With the adoption of MFRS 8, Operating Segments, the Group has four reportable segments: Manufacturing and trading, property investment and investment holdings and joint property development.

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Notes to quarterly report for the quarter ended 31 October 2020

Segment information for the financial period ended 31 October 2020	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	12,733	2,296	531	3,179	18,739
Intersegment revenue	549	22	-	-	571
Reportable segment profit / (loss)	644	1,350	158	457	2,609

Reconciliation of profit or loss

RM '000

Total profit for reportable segments	2,609
Investment income	48
Gain on disposal of quoted investments	85
Net fair value gain/(loss) on held for quoted shares	(335)
Fair value adjustment on investment properties	10
Interest income	591
Unallocated amounts:-	
Corporate expenses	(293)
Other expenses	(13)
Group's profit before income tax expense	2,702

A8. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statement for the interim period.

A9. Effects of changes in composition of the Group

There were no changes to the composition of the Group during the interim period, including business combinations, acquisition and long term investments, restructuring and discontinuing operations.

A10. Changes in contingent liabilities and contingent assets since the date of statement of financial position of prior audited financial statement

Save as disclosed below, the Company is not aware of any contingent liabilities or contingent assets as at 31 October 2020 except as follow:-

	31-Oct-2019 (Audited) RM '000	Changes RM '000	31-Oct-2020 (Unaudited) RM '000
Total limit	11,500	-300	11,200
Total utilised	11,045	-445	10,600

Contingent liabilities for corporate guarantee given by the Company to financial institutions for credit facilities granted to subsidiary companies

A11. Capital Commitment

There was no capital commitments as at 31 October 2020.

* End of Part A *

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Notes to quarterly report for the quarter ended 31 October 2020

Part B - Explanatory Notes Pursuant to BURSA MALAYSIA SECURITIES BERHAD,
Chapter 9 of the Listing Requirement, Part A of Appendix 9B.

B1. Detailed analysis of the performance the current quarter

RM '000	Individual quarter		Cumulative quarters	
	Current year	Preceding year corresponding quarter	Current year	Preceding year corresponding quarters
	31-Oct-2020	31-Oct-2019	31-Oct-2020	31-Oct-2019
Revenue				
Manufacturing & Trading	3,589	4,281	12,733	17,435
Property Investment	619	585	2,296	2,351
Property Development	48	173	531	942
Plantation	1,163	776	3,179	2,127
Profit/(Loss) before tax				
Manufacturing & Trading	387	404	644	2,768
Property Investment	386	374	1,350	1,481
Property Development	(35)	7	158	409
Plantation	573	31	457	(448)

For current quarter under review as compared to preceding year corresponding quarter:-

Manufacturing segment suffered a decrease of revenue as well as slight drop in pre-tax profit mainly due weaker demand during the COVID-19 pandemic.

Property investment segment posted slightly higher revenue and pre-tax profit mainly due increment in rental for some properties.

Property development segment experienced low revenue and pre-tax loss as most of the remaining unsold units remained unsold.

Plantation segment recorded a jump in revenue and a turnaround pre-tax profit mainly contributed by higher FFB yields as well as higher FFB selling price.

B2. Comment on any material change in the profit before taxation as compared with immediate preceding quarter.

The Group's revenue and pre-tax profit were increased mainly due to recovery of order for one of the Manufacturing entity and strong FFB price with higher FFB yield.

The export business significantly affected in March 2020 has been resumed in May 2020 during the Restricted Movement Control Order period and the order for current quarter is slightly higher than immediate preceding quarter.

For plantation segment, the turnover almost doubled mainly due to higher FFB yield while the FFB selling price also jumped 28.7% from average of RM414 pr MT to RM533 per MT.

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Notes to quarterly report for the quarter ended 31 October 2020

B3. Current financial year's prospect

Barring unforeseen circumstances, the Boards foresee a challenging year ahead for financial year ending 31 October 2021. Nevertheless the Directors endeavor to maintain current performance.

B4. Profit forecast

There were no revenue or profits estimate, forecast, projection of internal targets announced or disclosed in a public document.

B5. Taxation

	Current Quarter RM '000	Year-to-date RM '000
Current Year	105	603
Prior Year	-	(185)
Deferred Taxation	(143)	(143)
Tax expense *	(38)	275

* The effective tax rate for financial period ended 31 October 2020 was lower than the statutory tax rate of 24% mainly due to overprovision in prior year, deferred tax adjustment and expected tax incentive to be claimed by a subsidiary for the period under review.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 October 2020.

B7. Group borrowings and debt securities

The group's borrowings as at 31 October 2020 as follows:-

RM '000	Secured	Unsecured	Total
Short term	649	-	649
Long term	9,951	-	9,951
Total	10,600	-	10,600

All borrowings are denominated in local currency.

There was no debt securities issued.

B8. Changes in material litigation

There was no material litigation pending as at the date of this report.

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Notes to quarterly report for the quarter ended 31 October 2020

B9. Proposed Dividends

There were no dividend proposed.

B10. Earnings per share**a. Basic**

The calculation of the basic earnings per share is based on the Group's net profit attributable to the equity holders divided by the weighted average number of ordinary shares in issue during the year excluding the weighted average treasury shares held by the Company.

	Current Quarter	Year-to-date
Net profit / (loss) attributable to equity holders of the Company (RM '000)	1,315	2,427
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	3.60	6.64

b. Diluted

Not applicable

B11. Audit report qualification and status of matters raised

The audit report of the Group's annual financial statements for the financial year ended 31 October 2019 did not contain any qualification.

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Notes to quarterly report for the quarter ended 31 October 2020

B12. The profit / (loss) after tax was derived after charging / (crediting) the following:-

		Current Quarter RM'000	Year-To-Date RM'000
1	interest income;	(107)	(592)
2	other income including investment income;	(16)	(48)
3	interest expense;	387	710
4	depreciation of property, plant and equipment	456	1,379
5	amortisation of prepaid land lease payment	8	33
6	auditors' remuneration	49	112
7	realised (gain)/loss on foreign exchange	95	109
8	unrealised (gain)/loss on foreign exchange	2	1
9	rental expenses	18	83
10	rental income	619	2,296
11	net fair value (gain)/loss on held for quoted shares	109	335
12	amortisation of Biological Assets	57	227
13	(gain)/loss on disposal of quoted investment	(85)	(85)
14	fair value gain on investment properties	(10)	(10)

B13. DISCLOSURES OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of retained earnings as at the reporting date, which has been prepared by the Directors in accordance with the directives from **Bursa Malaysia Securities Berhad** stated above and Guidance on Special Matter No. 1 issued on 20 December 2010 by the Malaysian Institute of Accountants, are as follows:-

As At	31-Oct-2020
	RM'000
Realised	39,758
Unrealised	28,435
	<u>68,193</u>
Less: Consolidated adjustments	<u>(17,365)</u>
Retained earnings	<u>50,828</u>

BY ORDER OF THE BOARD

Yap Sit Lee
Company Secretary

Kuala Lumpur