

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 JANUARY 2022 (UNAUDITED)

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 MONTHS ENDED		3 MONTHS ENDED	
		31-Jan-2022	31-Jan-2021	31-Jan-2022	31-Jan-2021
		RM' 000	RM' 000	RM' 000	RM' 000
		Unaudited	Unaudited	Unaudited	Audited
Revenue	B1	7,317	5,694	7,317	5,694
Operating Expenses		(5,252)	(3,931)	(5,252)	(3,931)
Other Income		353	522	353	522
FV Loss on derivative financial instrument		-	(1)	-	(1)
Investing Income		6	1	6	1
Finance costs		(190)	(166)	(190)	(166)
Pofit before tax	B2	2,234	2,119	2,234	2,119
Tax expense	B5	(361)	(403)	(361)	(403)
Profit after tax		1,873	1,716	1,873	1,716
Other Comprehensive Income:			-		-
Exchange translation reserve		-	-	-	-
Fair value reserve		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		1,873	1,716	1,873	1,716
Profit/(Loss) attributable to:					
Equity holders of the Company		1,873	1,716	1,873	1,716
Non-Controlling Interest		-	-	-	-
		1,873	1,716	1,873	1,716
Total comprehensive income attributable to:					-
Equity holders of the Company		1,873	1,716	1,873	1,716
Non-Controlling Interest		-	-	-	-
		1,873	1,716	1,873	1,716
Earnings per share attributable to equity holders of the Company:	B10				
-Basic EPS (sen) *		1.54	4.69	1.54	4.69
-Diluted EPS (sen)		N/A	N/A	N/A	N/A

* Based on weighted average number of shares during the period

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2021 and the accompanying explanatory notes attached to the interim financial statement.)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 JANUARY 2022 (UNAUDITED)**

	AS AT 31-Jan-2022 (Unaudited) RM' 000	AS AT 31-Oct-2021 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	8,292	8,275
Right-of-use Assets	25,328	25,492
Investment Properties	70,326	55,850
Land Held for Development	221	237
Other investment	51	51
	<u>104,218</u>	<u>89,905</u>
CURRENT ASSETS		
Inventories	3,808	3,055
Bearer Biological Assets	279	279
Trade Receivables	2,844	3,089
Other Receivables, Deposit & Prepayments	514	1,712
Other Investments	1,081	1,218
Tax Recoverable	-	165
Cash & Cash Equivalents	42,215	44,304
	<u>50,741</u>	<u>53,822</u>
TOTAL ASSETS	<u>154,959</u>	<u>143,727</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share Capital	40,612	40,612
Treasury Share, At Cost	(45)	(45)
Revaluation Reserves	8,781	8,781
Retained Earnings	B13 68,532	66,659
TOTAL EQUITY	<u>117,880</u>	<u>116,007</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	B7 15,386	7,690
Lease Liabilities	9,204	9,392
Deferred Tax	6,711	6,711
	<u>31,301</u>	<u>23,793</u>
CURRENT LIABILITIES		
Trade Payables	1,331	569
Other Payables, Deposits & Accruals	2,722	1,685
Contract Liabilities	-	7
Short Term Borrowings	B7 1,571	1,185
Lease Liabilities	29	228
Derivative financial liabilities	-	-
Tax Payable	125	253
	<u>5,778</u>	<u>3,927</u>
TOTAL EQUITY AND LIABILITIES	<u>154,959</u>	<u>143,727</u>
NET ASSETS PER SHARE(RM)	0.9687	0.9534

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2021 and the accompanying explanatory notes attached to the interim financial statements).

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 JANUARY 2022 (UNAUDITED)

		Attributable to Equity Holders of the Company						Minority Interest	Total Equity
		Share Capital	Non distributable		Distributable		Total		
		(RM '000)	Revaluation Reserve (RM '000)	Exchange translation reserve (RM '000)	Treasury Share (RM '000)	Retained Earnings (RM '000)	(RM '000)	(RM '000)	(RM '000)
3 months ended									
31 January 2022									
Balance as 01 November 2021	Audited	40,612	8,781	0	(45)	66,659	116,007	0	116,007
Re-sale Treasury Shares							0		0
<i>Total comprehensive income:-</i>									
Profit for the year						1,873	1,873	0	1,873
Revaluation Reserve							0		0
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	0	0	0	0
Balance as 31 January 2022	Unaudited	40,612	8,781	0	(45)	68,532	117,880	0	117,880
		-							
3 months ended									
31 January 2021									
Balance as 01 November 2020	Audited	40,612	8,575	0	(3,554)	50,831	96,464	0	96,464
Re-sale Treasury Shares					63		63		
<i>Total comprehensive income:-</i>									
Profit/(Loss) for the year			0			1,716	1,716	0	1,716
Revaluation Reserve							0		
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	0	0	0	0
Balance as 31 January 2021	Unaudited	40,612	8,575	0	(3,491)	52,547	98,243	0	98,180

(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 2021 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 JANUARY 2022 (UNAUDITED)**

	2022 3 MONTHS ENDED 31-Jan-2022 (RM'000) Unaudited	2021 3 MONTHS ENDED 31-Jan-2021 (RM'000) Audited
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	2,234	2,118
ADJUSTMENTS:-		
Non Cash Items	347	(407)
Non Operating Items (Investing/Financing)	65	(162)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,646	1,549
<u>CHANGES IN WORKING CAPITAL</u>		
Inventories	(776)	(64)
Receivables	1,443	(902)
Property Development Cost	41	(28)
Payables	1,799	731
CASH GENERATED FROM OPERATIONS	5,153	1,286
Tax Refund	-	-
Tax Paid	(324)	(97)
NET CASH GENERATED FROM OPERATING ACTIVITIES	4,829	1,189
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Dividend Received From Quoted Investment	6	1
Interest Received	110	107
Proceed From Disposal Of Property, Plant And Machineries	10	9
Proceed From Disposal Of Quoted Shares	136	-
Purchase Of Investment Property	(14,476)	-
Purchase Of Property, Plant And Equipment	(217)	-
Purchase Of Quoted Shares	-	(185)
Purchase of right-of-use assets	-	-
NET CASH USED IN INVESTING ACTIVITIES	(14,431)	(68)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividend Paid	-	-
Interest Paid	(190)	(166)
Net Drawdown/(Repayment) Of Bank Borrowing	7,703	269
Placement of deposits with licensed financial institutions	-	-
Resale Treasury Share	-	64
NET CASH USED IN FINANCING ACTIVITIES	7,513	167
Net (Decrease) / Increased In Cash And Cash Equivalents	(2,089)	1,288
Currency Translation Difference	-	-
Cash And Cash Equivalents At Beginning Of Period	44,304	26,785
Cash And Cash Equivalents At End Of Period	42,215	28,073

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2021 and the accompanying explanatory notes attached to the interim financial statement.)

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 January 2022 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 2021.

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 2021.

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.

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 January 2022 and 31 October 2021, which are within the Group's objectives for capital management, are as follows:

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Notes to quarterly report for the quarter ended 31 January 2022

As At	31-Jan-2022 (Unaudited) RM'000	31-Oct-2021 (Audited) RM'000
Total borrowings	16,957	8,875
Lease liabilities	9,233	9,620
	26,190	18,495
Total equity	117,880	116,007
Total capital	134,837	124,882
Gearing Ratio	22.2%	15.9%

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 April 2021. 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.

A6. Dividends paid

During the quarter under review, there were no dividend paid.

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.

Segment information for the financial period ended 31 January 2022	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	3,984	672	401	2,323	7,380
Intersegment revenue	77	5	-	-	82
Reportable segment profit / (loss)	1,061	346	275	668	2,350

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	2,350
Investment income	6
Gain on disposal of quoted investments	-
Gain on disposal of Treasury shares	-
Net fair value gain on held for quoted shares	(119)
Interest income	109
Unallocated amounts:-	
Corporate expenses	(109)
Other expenses	(3)
Group's profit before income tax expense	2,234

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 January 2022 except as follow:-

	31-Oct-2021 (Audited) RM '000	Changes RM '000	31-Jan-2022 (Unaudited) RM '000
Total limit	11,200	10,000	21,200
Total utilised	8,875	7,740	16,615

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 January 2022.

* End of Part A *

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	
	Current year	Preceding year corresponding quarter
	31-Jan-2022	31-Jan-2021
Revenue		
Manufacturing & Trading	3,984	3,487
Property Investment	672	623
Property Development	401	467
Plantation	2,323	1,199
Profit/(Loss) before tax		
Manufacturing & Trading	1,061	594
Property Investment	346	413
Property Development	275	341
Plantation	668	434

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

Manufacturing segment registered higher revenue and pre-tax profit mainly due to improvement in sales order and reduced cost of sales.

Property investment segment posted slightly higher revenue as the completion of purchase of property with tenancy completed in December 2021 but posted lower pre-tax profit mainly due to expenses related to the purchase of property.

Property development segment recorded a lower revenue and a pre-tax profit mainly due low sales on remaining unsold units.

Plantation segment registered better turnover as well as pre-tax profit by 93.7% and 53.9% respectively mainly due to higher weighted average FFB price.

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

Revenue improved by 22.7% to RM7.32 million mainly contributed by plantation segment while pre-tax profit lowered by 63.3% to RM2.24 million due to a RM4.0 million gain on disposal of treasury shares during immediate preceding quarter. The revenue from property investment segment remains stable.

B3. Current financial year's prospect

Barring unforeseen circumstances, the Boards foresee a challenging year ahead for the remaining quarters for current financial year. 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	361	361
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	361	361

The effective tax rate for current period under review was lower than the statutory tax rate of 24% mainly due to loss incurred by certain subsidiaries.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 January 2022.

B7. Group borrowings and debt securities

The group's borrowings as at 31 January 2022 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,571	-	1,571
Long term	15,386	-	15,386
Total	16,957	-	16,957

All borrowings are denominated in local currency.

There was no debt securities issued.

During the quarter under review, the Group has drawdown a RM8.0 million term loan from financial institution to finance the purchase of property.

B8. Changes in material litigation

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

B9. Proposed Dividends

A single tier interim dividend of 1.0 sen per ordinary share has been proposed during the quarter under review for financial year ending 31 October 2022. The book closure date and payment date were 15 February 2022 and 3 March 2022 respectively.

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)	1,873	1,873
Weighted average number of ordinary shares ('000)	121,683.28	121,683.28
Basic earning/(loss) per share (sen)	1.54	1.54

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 2022 did not contain any qualification.

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

		Current Quarter RM'000
1	interest income;	(110)
2	other income including investment income;	(6)
3	interest expense;	190
4	depreciation of property, plant and equipment	201
5	amortisation of right-of-use assets	113
6	amortisation of biological assets	83
7	auditors' remuneration	29
8	realised (gain)/loss on foreign exchange	18
9	unrealised (gain)/loss on foreign exchange	1
10	rental expenses	83
11	rental income	(672)
12	net fair value (gain)/loss on held for quoted shares	137
13	(gain)/loss on disposal of property, plant and equipment	(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-Jan-2022
	RM'000
Realised	58,009
Unrealised	29,160
	<u>87,169</u>
Less: Consolidated adjustments	(18,637)
Retained earnings	<u>68,532</u>

BY ORDER OF THE BOARD

Tan Hsiao Yuen
Company Secretary

Kuala Lumpur