

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

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

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 MONTHS ENDED		9 MONTHS ENDED	
		31-Jul-2022	31-Jul-2021	31-Jul-2022	31-Jul-2021
		RM' 000	RM' 000	RM' 000	RM' 000
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue	B1	6,423	4,707	19,903	15,938
Operating Expenses		(4,125)	(3,693)	(13,923)	(11,784)
Other Income		232	8,014	806	10,204
FV Loss on derivative financial instrument		-	-	-	(1)
Investing Income		-	-	29	24
Finance costs		(204)	(170)	(639)	(498)
Profit before tax	B2	2,326	8,858	6,176	13,883
Tax expense	B5	(261)	(327)	(904)	(981)
Profit after tax		2,065	8,531	5,272	12,902
Other Comprehensive Income:			-		-
Exchange translation reserve		-	-	-	-
Fair value reserve		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		2,065	8,531	5,272	12,902
Profit/(Loss) attributable to:					
Equity holders of the Company		2,065	8,531	5,272	12,902
Non-Controlling Interest		-	-	-	-
		2,065	8,531	5,272	12,902
Total comprehensive income attributable to:					-
Equity holders of the Company		2,065	8,531	5,272	12,902
Non-Controlling Interest		-	-	-	-
		2,065	8,531	5,272	12,902
Earnings per share attributable to equity holders of the Company:	B10				
-Basic EPS (sen) *		1.71	22.39	4.34	34.52
-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.)

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

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

	AS AT 31-Jul-2022 (Unaudited) RM' 000	AS AT 31-Oct-2021 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	8,616	8,275
Right-of-use Assets	25,001	25,492
Investment Properties	70,330	55,850
Land Held for Development	221	237
Other investment	51	51
	<u>104,219</u>	<u>89,905</u>
CURRENT ASSETS		
Inventories	4,049	3,055
Bearer Biological Assets	279	279
Trade Receivables	2,906	3,089
Other Receivables, Deposit & Prepayments	595	1,712
Other Investments	934	1,218
Tax Recoverable	-	165
Cash & Cash Equivalents	41,206	44,304
	<u>49,969</u>	<u>53,822</u>
TOTAL ASSETS	<u>154,188</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	(1,326)	(45)
Revaluation Reserves	8,781	8,781
Retained Earnings	B13 70,713	66,659
TOTAL EQUITY	<u>118,780</u>	<u>116,007</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	B7 14,435	7,690
Lease Liabilities	9,238	9,392
Deferred Tax	6,711	6,711
	<u>30,384</u>	<u>23,793</u>
CURRENT LIABILITIES		
Trade Payables	1,332	569
Other Payables, Deposits & Accruals	2,345	1,685
Contract Liabilities	-	7
Short Term Borrowings	B7 1,068	1,185
Lease Liabilities	215	228
Derivative financial liabilities	-	-
Tax Payable	64	253
	<u>5,024</u>	<u>3,927</u>
TOTAL EQUITY AND LIABILITIES	<u>154,188</u>	<u>143,727</u>
NET ASSETS PER SHARE(RM)	0.9877	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 JULY 2022 (UNAUDITED)

		<-----Attributable to Equity Holders of the Company ----->						Minority Interest	Total Equity
		<-----Non distributable----->			<-----Distributable----->		Total		
		Share Capital	Revaluation Reserve	Exchange translation reserve	Treasury Share	Retained Earnings			
		(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
9 months ended									
31 July 2022									
Balance as 01 November 2021	Audited	40,612	8,781	0	-45	66,659	116,007	0	116,007
Share buy-back as treasury shares					-1,281		-1,281		-1,281
<i>Total comprehensive income:-</i>									
Profit for the year						5,271	5,271	0	5,271
Revaluation Reserve						0	0		0
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	-1,217	-1,217	0	-1,217
Balance as 31 July 2022	Unaudited	40,612	8,781	0	-1,326	70,713	118,780	0	118,780
		-	-	-	-	-	-	-	-
9 months ended									
31 July 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					2,834		2,834	0	2,834
<i>Total comprehensive income:-</i>									
Profit/(Loss) for the year			0			12,903	12,903	0	12,903
Revaluation Reserve						0	0		0
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	-750	-750	0	-750
Balance as 31 July 2021	Unaudited	40,612	8,575	0	-720	62,984	111,451	0	111,451
		-	-	-	-	-	-	-	-

(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 JULY 2022 (UNAUDITED)**

	2022 9 MONTHS ENDED 31-Jul-2022 (RM'000) Unaudited	2021 9 MONTHS ENDED 31-Jul-2021 (RM'000) Unaudited
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	6,175	13,883
<i>ADJUSTMENTS:-</i>		
Non Cash Items	115	471
Non Operating Items (Investing/Financing)	482	(9,317)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6,772	5,037
<u>CHANGES IN WORKING CAPITAL</u>		
Inventories	(1,018)	(670)
Receivables	1,298	53
Property Development Cost	41	(25)
Payables	1,422	558
CASH GENERATED FROM OPERATIONS	8,515	4,953
Tax Refund	33	-
Tax Paid	(960)	(628)
NET CASH GENERATED FROM OPERATING ACTIVITIES	7,588	4,325
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Dividend Received From Quoted Investment	29	24
Interest Received	151	348
Proceed From Disposal Of Property, Plant And Machineries	(14)	9
Proceed From Disposal Of Quoted Shares	276	402
Purchase Of Investment Property	(14,480)	-
Purchase Of Property, Plant And Equipment	-	-
Purchase Of Quoted Shares	-	-
Purchase Of Right-of-use assets	-	-
NET CASH USED IN INVESTING ACTIVITIES	(14,038)	783
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividend Paid	(1,217)	(750)
Interest Paid	(639)	(498)
Net Drawdown/(Repayment) Of Bank Borrowing	6,489	(393)
Resale Treasury Share	-	11,893
Share Buy-Back	(1,281)	-
NET CASH USED IN FINANCING ACTIVITIES	3,352	10,252
Net (Decrease) / Increased In Cash And Cash Equivalents	(3,098)	15,360
Currency Translation Difference	-	-
Cash And Cash Equivalents At Beginning Of Period	44,304	26,785
Cash And Cash Equivalents At End Of Period	41,206	42,145

(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.)

Notes to quarterly report for the quarter ended 31 July 2022

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 July 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 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 borrowings to total equity.

The gearing ratios as at 31 July 2022 and 31 October 2021, which are within the Group's objectives for capital management, are as follows:

As At	31-Jul-2022 (Unaudited) RM'000	31-Oct-2021 (Audited) RM'000
Total borrowings	24,956	18,495
Total equity	118,780	116,007
Total capital	143,736	134,502
Gearing Ratio	21.0%	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 8 April 2022. 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.

Except for below, there were no shares issued, share cancellation, resale of treasury shares and repayment of debts and equity securities during the quarter under review.

During the quarter under review, a total of 1,330,600 shares bought back as treasury shares ("share buyback") in the open market for approximately RM0.9016 per share, total value of share buyback approximately RM1.20 million only.

A6. Dividends paid

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

Notes to quarterly report for the quarter ended 31 July 2022

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 July 2022	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	10,674	2,290	401	6,726	20,091
Intersegment revenue	221	16	-	-	237
Reportable segment profit / (loss)	1,839	1,367	205	2,733	6,144

Reconciliation of profit or loss

RM '000

Total profit for reportable segments	6,144
Investment income	29
Gain on disposal of quoted investments	(49)
Gain on resale of treasury shares	-
Net fair value gain on held for quoted shares	41
Interest income	316
Unallocated amounts:-	
Corporate expenses	(295)
Other expenses	(10)
Group's profit before income tax expense	6,176

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.

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Notes to quarterly report for the quarter ended 31 July 2022

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 July 2022 except as follow:-

	31-Oct-2021 (Audited) RM '000	Changes RM '000	31-Jul-2022 (Unaudited) RM '000
Total limit	11,200	8,000	19,200
Total utilised	8,875	6,628	15,503

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 July 2022.

* End of Part A *

Notes to quarterly report for the quarter ended 31 July 2022

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-Jul-2022	31-Jul-2021	31-Jul-2022	31-Jul-2021
Revenue				
Manufacturing & Trading	3,515	2,871	10,674	10,131
Property Investment	807	675	2,290	1,910
Property Development	-	28	401	495
Plantation	2,164	1,257	6,726	3,690
Profit/(Loss) before tax				
Manufacturing & Trading	432	334	1,839	1,775
Property Investment	498	462	1,367	1,273
Property Development	(32)	(34)	205	222
Plantation	1,459	395	2,733	1,121

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

Manufacturing segments recorded a jump of 22.4% and 29.3% in revenue and pre-tax profit due to improve order.

Property investment segment registered higher turnover mainly due to an additional property with tenancy acquired during the period under review.

Property development segment do not have any revenue during the quarter and plantation registered a 72.2% and 269.4% increase in revenue and pre-tax profit respectively mainly due to an increase of 35.2% in the weighted average fresh fruit bunch ("FFB") price sold.

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

Revenue improved by 4.2% or RM0.26 million to RM6.4 million while pre-tax profit jumped from RM1.6 million to RM2.3 million mainly due to improve in order and reduction of cost.

Notes to quarterly report for the quarter ended 31 July 2022

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	274	908
Prior Year	(14)	(5)
Deferred Taxation	-	-
Tax expense *	260	903

The effective tax rate for financial period ended 31 July 2022 was lower than the statutory tax rate of 24% mainly due to non-taxable income recorded during the period under review.

B6. Status of corporate proposals

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

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	1,068	-	1,068
Long term	14,435	-	14,435
Total	15,503	-	15,503

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.

Notes to quarterly report for the quarter ended 31 July 2022

B9. Proposed Dividends

The Board of Directors proposed a single tier interim dividend of 2.00 sen per ordinary share in respect of financial year ending 31 October 2022. The book closure date and payment date will be on 13 October 2022 and 28 October 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)	2,065	5,272
Weighted average number of ordinary shares ('000)	120,861	121,389
Basic earning/(loss) per share (sen)	1.71	4.34

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 2021 did not contain any qualification.

Notes to quarterly report for the quarter ended 31 July 2022

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;	-2	-151
2	other income including investment income;	0	-49
3	interest expense;	204	639
4	depreciation of property, plant and equipment	215	622
5	amortisation of Right-of-Use assets	114	340
6	amortisation of Biological Assets	83	249
7	auditors' remuneration	29	87
8	realised (gain)/loss on foreign exchange	-20	5
9	unrealised (gain)/loss on foreign exchange	-28	-59
10	rental expenses	124	230
11	rental income	-807	-2,290
12	net fair value (gain)/loss on held for quoted shares	50	-41
13	(Gain)/loss on disposal of property, plant and equipment	-12	14
14	(Gain)/loss on disposal of quoted investment	0	49

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-Jul-2022
	RM'000
Realised	60,489
Unrealised	28,861
	<u>89,350</u>
Less: Consolidated adjustments	<u>(18,637)</u>
Retained earnings	<u>70,713</u>