

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

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

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		12 MONTHS ENDED	
	31-Oct-2022	31-Oct-2021	31-Oct-2022	31-Oct-2021
	RM' 000	RM' 000	RM' 000	RM' 000
	Unaudited	Unaudited	Unaudited	Audited
Revenue	6,784	5,962	26,687	21,854
<i>Operating Expenses</i>	(4,865)	(4,206)	(18,788)	(15,937)
<i>Other Income</i>	3,085	4,487	3,891	14,763
<i>FV Loss on derivative financial instrument</i>	(13)	-	(13)	-
<i>Investing Income</i>	23	14	52	38
<i>Finance costs</i>	(240)	(164)	(879)	(662)
Profit before tax	4,774	6,093	10,950	20,056
<i>Tax expense</i>	(1,271)	(246)	(2,175)	(1,653)
Profit after tax	3,503	5,847	8,775	18,403
Other Comprehensive Income:				
<i>Exchange translation reserve</i>	-	-	-	-
<i>Fair value reserve</i>	9,611	206	9,611	206
Other Comprehensive Income net of tax	9,611	206	9,611	206
Total Comprehensive Income	13,114	6,053	18,386	18,609
Profit/(Loss) attributable to:				
<i>Equity holders of the Company</i>	3,503	5,847	8,775	18,403
<i>Non-Controlling Interest</i>	-	-	-	-
	3,503	5,847	8,775	18,403
Total comprehensive income attributable to:				
<i>Equity holders of the Company</i>	13,114	6,053	18,386	18,609
<i>Non-Controlling Interest</i>	-	-	-	-
	13,114	6,053	18,386	18,609
Earnings per share attributable to equity holders of the Company:				
-Basic EPS (sen) *	2.92	4.84	7.25	15.12
-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 OCTOBER 2022 (UNAUDITED)

	AS AT 31-Oct-2022 (Unaudited) RM' 000	AS AT 31-Oct-2021 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	8,365	8,275
Right-of-use Assets	37,484	25,492
Investment Properties	72,900	55,850
Land Held for Development	77	237
Other investment	51	51
	<u>118,877</u>	<u>89,905</u>
CURRENT ASSETS		
Inventories	3,757	3,055
Land Held For Development	130	-
Bearer Biological Assets	230	279
Derivative financial assets	-	-
Trade Receivables	3,570	3,089
Other Receivables, Deposit & Prepayments	351	1,712
Other Investments	1,081	1,218
Tax Recoverable	-	165
Cash & Cash Equivalents	39,200	44,304
	<u>48,319</u>	<u>53,822</u>
TOTAL ASSETS	<u>167,196</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	(1,901)	(45)
Revaluation Reserves	18,392	8,781
Retained Earnings	B13 71,822	66,659
TOTAL EQUITY	<u>128,925</u>	<u>116,007</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	B7 14,036	7,690
Lease Liabilities	9,159	9,392
Deferred Tax	10,630	6,711
	<u>33,825</u>	<u>23,793</u>
CURRENT LIABILITIES		
Trade Payables	1,032	569
Other Payables, Deposits & Accruals	1,927	1,685
Contract Liabilities	-	7
Short Term Borrowings	B7 1,081	1,185
Lease Liabilities	233	228
Derivative financial liabilities	13	-
Tax Payable	160	253
	<u>4,446</u>	<u>3,927</u>
TOTAL EQUITY AND LIABILITIES	<u>167,196</u>	<u>143,727</u>
NET ASSETS PER SHARE(RM)	1.0720	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 OCTOBER 2022 (UNAUDITED)

		-----Attributable to Equity Holders of the Company ----->					Minority Interest	Total Equity	
		<-----Non distributable----->		<-----Distributable----->					
		Share Capital	Revaluation Reserve	Exchange translation reserve	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 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					-1,856		-1,856		-1,856
<i>Total comprehensive income:-</i>									
Profit for the year						8,775	8,775	0	8,775
Revaluation Reserve			9,611				9,611		9,611
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	-3,612	-3,612	0	-3,612
Balance as 31 October 2022	Unaudited	<u>40,612</u>	<u>18,392</u>	<u>0</u>	<u>-1,901</u>	<u>71,822</u>	<u>128,925</u>	<u>0</u>	<u>128,925</u>
		-	-	-	-	-	-	-	-
12 months ended									
31 October 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					3,509		3,509	0	3,509
<i>Total comprehensive income:-</i>									
Profit/(Loss) for the year			0			18,403	18,403	0	18,403
Revaluation Reserve			206				206		206
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	-2,575	-2,575	0	-2,575
Balance as 31 October 2021	Audited	<u>40,612</u>	<u>8,781</u>	<u>0</u>	<u>-45</u>	<u>66,659</u>	<u>116,007</u>	<u>0</u>	<u>115,801</u>
		-	-	-	-	-	-	-	-

(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 OCTOBER 2022 (UNAUDITED)

	2022 12 MONTHS ENDED 31-Oct-2022 (RM'000) Unaudited	2021 12 MONTHS ENDED 31-Oct-2021 (RM'000) Audited
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	10,951	20,056
<i>ADJUSTMENTS:-</i>		
<i>Non Cash Items</i>	(1,988)	1,725
Non Operating Items (Investing/Financing)	724	(13,589)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	9,687	8,192
<u>CHANGES IN WORKING CAPITAL</u>		
Inventories	(726)	(638)
Receivables	878	(1,833)
Property Development Cost	55	-
Payables	704	208
CASH GENERATED FROM OPERATIONS	10,598	5,929
Tax Refund	153	-
Tax Paid	(1,372)	(1,041)
NET CASH GENERATED FROM OPERATING ACTIVITIES	9,379	4,888
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Dividend Received From Quoted Investment	52	24
Interest Received	162	519
Proceed From Disposal Of Property, Plant And Machineries	(10)	29
Proceed From Disposal Of Quoted Shares	88	609
Proceeds From Disposal Of Treasury Shares	-	16,580
Purchase Of Investment Property	(14,480)	-
Purchase Of Property, Plant And Equipment	-	(327)
Share Buy-Back as Treasury Shares	(1,856)	-
Purchase Of Quoted Shares	-	(207)
NET CASH USED IN INVESTING ACTIVITIES	(16,044)	17,227
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividend Paid	(3,612)	(2,575)
Interest Paid	(879)	(662)
Repayment of Lease Liabilities	(190)	(220)
Placement of Deposits with Licensed Financial Institutions	-	(3)
Net Repayment of Borrowings	-	(1,125)
Net Drawdown of Borrowings	6,242	-
NET CASH USED IN FINANCING ACTIVITIES	1,561	(4,585)
Net (Decrease) / Increased In Cash And Cash Equivalents	(5,104)	17,530
Currency Translation Difference	-	(13)
Cash And Cash Equivalents At Beginning Of Period	44,304	26,691
Cash And Cash Equivalents At End Of Period	39,200	44,208

(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.)

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Notes to quarterly report for the quarter ended 31 October 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 October 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 borrowings to total equity.

The gearing ratios as at 31 October 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 October 2022

As At	31-Oct-2022 (Unaudited) RM'000	31-Oct-2021 (Audited) RM'000
Total borrowings	24,509	18,495
Total equity	128,925	116,007
Gearing Ratio	19.0%	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.

During the quarter under review, a total of 596,000 shares bought back as treasury shares ("share buyback") in the open market for approximately RM0.8669 per share, total value of share buyback approximately RM0.575 million only.

A6. Dividends paid

During the quarter under review, an interim dividend of 2.0 sen per Ordinary Shares for Financial Year Ended 31 October 2022 total RM2.395 million has been paid in October 2022.

During Financial Year Ended 31 October 2022, shareholders of the company had received a total of RM3.612 million as dividend.

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Notes to quarterly report for the quarter ended 31 October 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 October 2022	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	14,779	3,094	498	8,568	26,939
Intersegment revenue	332	22	-	-	354
Reportable segment profit / (loss)	2,625	1,857	258	3,633	8,373

Reconciliation of profit or loss

Total profit for reportable segments	8,373
Investment income	52
Loss on disposal of quoted investments	(49)
Net fair value gain/(loss) on held for quoted shares	(28)
Fair value adjustment on investment properties	2,570
Interest income	426
Unallocated amounts:-	
Corporate expenses	(381)
Other expenses	(13)
Group's profit before income tax expense	<u>10,950</u>

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 October 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 October 2022 except as follow:-

	31-Oct-2021 (Audited) RM '000	Changes RM '000	31-Oct-2022 (Unaudited) RM '000
Total limit	11,200	8,000	19,200
Total utilised	8,875	6,242	15,117

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 2022.

* End of Part A *

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Notes to quarterly report for the quarter ended 31 October 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-Oct-2022	31-Oct-2021	31-Oct-2022	31-Oct-2021
Revenue				
Manufacturing & Trading	4,104	3,456	14,779	13,587
Property Investment	804	493	3,094	2,403
Property Development	97	-	498	495
Plantation	1,842	1,973	8,568	5,663
Profit/(Loss) before tax				
Manufacturing & Trading	786	660	2,625	2,435
Property Investment	490	290	1,857	1,563
Property Development	53	(63)	258	159
Plantation	900	1,051	3,633	2,172

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

Manufacturing segment registered higher revenue and pre-tax profit mainly due to higher order from plastic division and strong US dollar approximate RM4.80 per USD1.00 in October 2022.

Property investment segment also recorded jump in revenue and pre-tax profit mainly due to an additional property with tenancy acquired during current financial year.

Property development segment recorded small amount of revenue from remaining last few units of project launch few years ago.

Plantation segment recorded a marginally lower revenue as well as lower pre-tax profit despite the output of fresh fruit bunch ("FFB") increased by 28.6% mainly because the weighted average FFB price sold reduced by 21.3%.

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

Revenue merely increased by 5.6% or RM0.361 million mainly due to increase in order in plastic division and stronger US dollar.

Pre-tax profit jumped 105.2% or RM2.447 million mainly due to recognition of a RM2.570 million fair value gain on property during the current quarter under review.

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Notes to quarterly report for the quarter ended 31 October 2022

B3. Current financial year's prospect

Barring unforeseen circumstances, the Boards foresee a very challenging year ahead for financial year ending 31 October 2023 as there are news on potential global recession under high interest rate environment. 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	388	1,296
Prior Year	-	(5)
Deferred Taxation	884	884
Tax expense *	1,272	2,175

* The effective tax rate for financial period ended 31 October 2022 was slightly below the statutory tax rate of 24% due to certain gain not subject to income tax.

B6. Status of corporate proposals

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

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	1,081	-	1,081
Long term	14,036	-	14,036
Total	15,117	-	15,117

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 2022

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)	3,503	8,775
Weighted average number of ordinary shares ('000)	120,014	121,042
Basic earning/(loss) per share (sen)	2.92	7.25

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.

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Notes to quarterly report for the quarter ended 31 October 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;	(11)	(162)
2 other income including investment income;	(23)	(52)
3 interest expense;	240	879
4 depreciation of property, plant and equipment (ppe)	221	843
5 amortisation of right-of-use assets	113	453
6 amortisation of biological assets	83	332
7 auditors' remuneration	33	120
8 realised (gain)/loss on foreign exchange	36	41
9 unrealised (gain)/loss on foreign exchange	180	121
10 rental expenses	35	265
11 rental income	(804)	(3,094)
12 net fair value (gain)/loss on held for quoted shares	69	28
13 (gain)/loss on disposal of ppe	(4)	10
14 (gain)/loss on disposal of treasury shares	0	0
15 (gain)/loss on disposal of quoted investment	0	49
16 fair value gain on investment properties	(2,570)	(2,570)

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-2022
	RM'000
Realised	59,277
Unrealised	31,182
	<hr/>
	90,459
Less: Consolidated adjustments	(18,637)
Retained earnings	<hr/>
	71,822