

**KUMPULAN H & L HIGH-TECH BERHAD (317805-V)**

 CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE QUARTER ENDED 31 JANUARY 2019 ( UNAUDITED )

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
		31-Jan-19 RM' 000	31-Jan-18 RM' 000	31-Jan-19 RM' 000	31-Jan-18 RM' 000
<b>Revenue</b>	B1	5,113	6,158	5,113	6,158
Operating Expenses		(4,449)	(4,730)	(4,449)	(4,730)
Other Income		239	105	239	105
Gain on derivative financial instrument		-	-	-	-
Investing Income		6	20	6	20
Finance costs		(44)	(61)	(44)	(61)
<b>Profit before tax</b>	B2	865	1,492	865	1,492
Tax expense	B5	(339)	(476)	(339)	(476)
<b>Profit after tax</b>		526	1,016	526	1,016
<b>Other Comprehensive Income:</b>					
Exchange translation reserve		-	-	-	-
Fair value reserve		-	-	-	-
<b>Other Comprehensive Income net of tax</b>		-	-	-	-
<b>Total Comprehensive Income</b>		526	1,016	526	1,016
<b>Profit/(Loss) attributable to:</b>					
Equity holders of the Company		526	1,016	526	1,016
Non-Controlling Interest		-	-	-	-
		526	1,016	526	1,016
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		526	1,016	526	1,016
Non-Controlling Interest		-	-	-	-
		526	1,016	526	1,016
<b>Earnings per share attributable to equity holders of the Company:</b>	B10				
-Basic EPS (sen)		1.44	2.78	1.44	2.78
-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 2018 and the accompanying explanatory notes attached to the interim financial statement.)

**KUMPULAN H & L HIGH-TECH BERHAD (317805-V)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE QUARTER ENDED 31 JANUARY 2019 ( UNAUDITED )**

	AS AT 31-Jan-19 (Unaudited) RM' 000	AS AT 31-Oct-18 (Audited) RM' 000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	17,167	17,235
Investment Properties	55,846	55,845
Land Held for Development	-	294
Biological assets	5,703	5,604
Prepaid Lease Payments	1,755	1,788
Other investment	165	165
	<u>80,636</u>	<u>80,931</u>
<b>CURRENT ASSETS</b>		
Property Development Costs	511	222
Inventories	4,363	3,947
Derivative financial assets	-	6
Trade Receivables	3,470	3,055
Other Receivables, Deposit & Prepayments	377	311
Other Investments	885	385
Tax Recoverable	46	-
Cash & Cash Equivalents	15,484	17,616
	<u>25,136</u>	<u>25,542</u>
<b>TOTAL ASSETS</b>	<u><b>105,772</b></u>	<u><b>106,473</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share Capital	40,612	40,612
Treasury Share, At Cost	(3,554)	(3,554)
Revaluation Reserves	8,310	8,310
Retained Earnings	47,256	46,730
<b>TOTAL EQUITY</b>	<u>92,624</u>	<u>92,098</u>
<b>NON-CURRENT LIABILITIES</b>		
Long Term Borrowings	2,020	2,340
Deferred Income	-	-
Deferred Tax	6,126	6,126
	<u>8,146</u>	<u>8,466</u>
<b>CURRENT LIABILITIES</b>		
Short Term Borrowings	1,254	1,235
Trade Payables	1,006	538
Other Payables, Deposits & Accruals	2,205	3,610
Government Grants	45	60
Derivative financial liabilities	-	-
Provision For Taxation	492	466
	<u>5,002</u>	<u>5,909</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>105,772</b></u>	<u><b>106,473</b></u>
<b>NET ASSETS PER SHARE( RM)</b>	2.5323	2.5180

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2018 and the accompanying explanatory notes attached to the interim financial statements).

**KUMPULAN H & L HIGH-TECH BERHAD (317805-V)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 31 JANUARY 2019 ( UNAUDITED )**

	Attributable to Equity Holders of the Company					Minority Interest	Total Equity
	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 )
<b>3 months ended</b>							
<b>31 January 2019</b>							
Balance at 01 November 2018	40,612	8,310	0	(3,554)	46,730	92,098	92,098
<i>Total comprehensive income:-</i>							
Profit for the year					526	526	526
Revaluation Reserve		0			0	0	0
<i>Transaction with owner:-</i>							
Dividend paid	0	0	0	0	0	0	0
<b>Balance as 31 January 2019</b>	<b>40,612</b>	<b>8,310</b>	<b>0</b>	<b>(3,554)</b>	<b>47,258</b>	<b>92,624</b>	<b>92,624</b>
<b>3 months ended</b>							
<b>31 January 2018</b>							
Balance at 01 November 2017	40,612	8,041	0	(3,554)	44,993	90,092	90,092
<i>Total comprehensive income:-</i>							
Profit/(Loss) for the year					1,016	1,016	1,016
<i>Transaction with owner:-</i>							
Dividend paid	0	0	0	0	(549)	(549)	(549)
<b>Balance at 31 January 2018</b>	<b>40,612</b>	<b>8,041</b>	<b>0</b>	<b>(3,554)</b>	<b>45,460</b>	<b>90,559</b>	<b>90,559</b>

(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 2018 and the accompanying explanatory notes attached to the interim financial statement.)

**KUMPULAN H & L HIGH-TECH BERHAD (317805-V)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 31 JANUARY 2019 ( UNAUDITED )**

	2019 3 MONTHS ENDED 31-Jan-2019 (RM'000 ) (Unaudited)	2018 3 MONTHS ENDED 31-Jan-2018 (RM'000 ) (Unaudited)
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
PROFIT BEFORE TAXATION	865	1,492
ADJUSTMENTS:-		
NON CASH ITEMS	281	363
NON OPERATING ITEMS (INVESTING/FINANCING)	(91)	(100)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,055</b>	<b>1,755</b>
<b><u>CHANGES IN WORKING CAPITAL</u></b>		
INVENTORIES	(416)	(357)
RECEIVABLES	(481)	(156)
PROPERTY DEVELOPMENT COST	4	36
PAYABLES	(982)	621
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(820)</b>	<b>1,899</b>
TAX REFUND	-	-
TAX PAID	(314)	(239)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(1,134)</b>	<b>1,660</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
ACQUISITION OF BIOLOGICAL ASSET	(156)	(126)
INTEREST RECEIVED	123	111
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(131)	(344)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	-	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	6	20
PURCHASE OF QUOTED SHARES	(494)	-
OTHER INVESTMENT	-	-
PURCHASE OF INVESTMENT PROPERTY	-	(47)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(652)</b>	<b>(386)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
REPAYMENT OF BANK BORROWING	(302)	(284)
INTEREST PAID	(44)	(61)
DIVIDEND PAID	-	(549)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(346)</b>	<b>(894)</b>
<b>CURRENCY TRANSLATION DIFFERENCE</b>	<b>-</b>	<b>-</b>
<b>NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS</b>	<b>(2,132)</b>	<b>380</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>17,616</b>	<b>16,000</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>15,484</b>	<b>16,380</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2018 and the accompanying explanatory notes attached to the interim financial statement.)

## **Kumpulan H & L High-Tech Berhad (317805-V)**

Notes to quarterly report for the quarter ended 31 January 2019

### **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 Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures for the quarter ended 31 January 2019 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 2018.

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 2018.

#### **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 2019 and 31 October 2018, which are within the Group's objectives for capital management, are as follows:

**Kumpulan H & L High-Tech Berhad (317805-V)**  
Notes to quarterly report for the quarter ended 31 January 2019

As At	31-Jan-19 (Unaudited) RM'000	31-Oct-18 (Audited) RM'000
Total borrowings	3,274	3,575
Total equity	92,624	92,098
Total capital	95,898	95,673
Gearing Ratio	3.5%	3.9%

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 March 2018. 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**

There were no dividends paid during the quarter under review.

**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 2019	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	4,036	588	51	498	5,173
Intersegment revenue	80	5	-	-	85
Reportable segment profit / (loss)	771	313	(57)	(192)	835

<u>Reconciliation of profit or loss</u>	RM '000
Total profit for reportable segments	835
Investment income	6
Gain on disposal of quoted investments	-
Net fair value gain/(loss) on held for quoted shares	(16)
Interest income	123
Unallocated amounts:-	
Corporate expenses	(78)
Other expenses	(5)
<b>Group's profit before income tax expense</b>	<b>865</b>

**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 2019 except as follow:-

	31-Oct-18 (Audited) RM '000	Changes RM '000	31-Jan-19 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	3,575	-302	3,273

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

**A11. Commitment for the purchase of property, plant and equipment**

There was no significant commitments as at 31 January 2019.

\* 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-19	31-Jan-18
<b>Revenue</b>		
Manufacturing & Trading	4,036	4,591
Property Investment	588	567
Property Development	51	436
Plantation	498	617
<b>Profit/(Loss) before tax</b>		
Manufacturing & Trading	771	684
Property Investment	313	385
Property Development	(57)	295
Plantation	(192)	24

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

*Revenue for Manufacturing segment decreased by 12.1% due to lower sales order from overseas customers but pre-tax profit increased by 12.7% due to high margin sales mix.*

*Property investment segment achieved slightly higher top line and but the pretax profit reduced due to refinancing expenses.*

*Property development segment registered significant lower revenue as well as pretax loss as sales has been slowing down as well as lesser remaining unsold units.*

*Plantation segment also registered a lower revenue and turned to pre-tax loss as the weighted average FFB price plunged by 34.2% from RM502 per ton to RM332 per ton as a results of rising stockpile and slowing exports of crude palm oil.*

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

Top line reduced by 9% mainly due to lower sales from Manufacturing segment but pre-tax profit increased mainly due to higher gross profit margin from a sales-mix with higher profit margin during the quarter under review.



**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	339	339
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	339	339

The effective tax rate for financial period ended 31 January 2019 was higher than the statutory tax rate of 24% mainly due pre-tax losses incurred by certain subsidiaries during the quarter under review.

**B6. Status of corporate proposals**

There was no corporate proposal announced but not completed as at 31 January 2019.

**B7. Group borrowings and debt securities**

The group's borrowings as at 31 January 2019 as follows:-

RM '000	Secured	Unsecured	Total
Short Term	1,254	0	1,254
Long Term	2,019	0	2,019
Total	3,273	0	3,273

All borrowings are denominated in local currency.

There was no debt securities issued but subsequent to the quarter under review, the Group had drawdown of RM10 million term loan from a financial institution and has retired previous term loans.

**B8. Changes in material litigation**

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

**B9. Proposed Dividends**

The Board of Directors proposed a single tier interim dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 October 2019. The book closure date and payment date will be on 10 April 2019 and 23 April 2019 respectively. (31 Jan 2018 – no dividend proposed).

The total dividend proposed for the current financial year is 2.0 sen per ordinary share.

**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)	526	526
Weighted average number of ordinary shares ( '000)	36,577	36,577
Basic earning/(loss) per share (sen)	1.44	1.44

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 2018 did not contain any qualification.

**Kumpulan H & L High-Tech Berhad (317805-V)**

Notes to quarterly report for the quarter ended 31 January 2019

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

	Current Quarter RM'000	Year-To-Date RM'000
(a) interest income;	(123)	(123)
(b) other income including investment income;	(6)	(6)
(c) interest expense;	44	44
(d) depreciation of property, plant and equipment	317	317
(e) amortisation of deferred income	(15)	(15)
(f) amortisation of prepaid land lease payment	8	8
(g) auditors' remuneration	25	25
(h) realised (gain)/loss on foreign exchange	0	0
(i) unrealised (gain)/loss on foreign exchange	(48)	(48)
(j) rental expenses	11	11
(k) rental income	1	1
(l) net fair value (gain)/loss on held for quoted shares	(6)	(6)
(m) Amortisation of Biological Assets	57	57
(n) (Gain)/loss on disposal of quoted investment	0	0

**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-19
	<b>RM'000</b>
Realised	37,903
Unrealised	28,737
	<u>66,640</u>
Less: Consolidated adjustments	(19,384)
Retained earnings	<u>47,256</u>

BY ORDER OF THE BOARD

Yap Sit Lee  
Company Secretary

Kuala Lumpur