

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 APRIL 2019 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
		30-Apr-19 RM' 000	30-Apr-18 RM' 000	30-Apr-19 RM' 000	30-Apr-18 RM' 000
Revenue	B1	5,574	5,739	10,687	11,897
Operating Expenses		(4,534)	(4,865)	(8,983)	(9,595)
Other Income		137	(9)	376	96
Gain on derivative financial instrument		-	-	-	-
Investing Income		13	9	19	29
Finance costs		(83)	(43)	(127)	(104)
Profit before tax	B2	1,107	830	1,972	2,323
Tax expense	B5	74	(132)	(265)	(608)
Profit after tax		1,181	699	1,707	1,715
Other Comprehensive Income:					
Exchange translation reserve		-	-	-	-
Fair value reserve		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		1,181	699	1,707	1,715
Profit/(Loss) attributable to:					
Equity holders of the Company		1,181	699	1,707	1,715
Non-Controlling Interest		-	-	-	-
		1,181	699	1,707	1,715
Total comprehensive income attributable to:					
Equity holders of the Company		1,181	699	1,707	1,715
Non-Controlling Interest		-	-	-	-
		1,181	699	1,707	1,715
Earnings per share attributable to equity holders of the Company:	B10				
-Basic EPS (sen)		3.23	1.91	4.67	4.69
-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 30 APRIL 2019 (UNAUDITED)

	AS AT 30-Apr-19 (Unaudited) RM' 000	AS AT 31-Oct-18 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	17,170	17,235
Investment Properties	55,846	55,845
Land Held for Development	-	294
Biological assets	5,691	5,604
Prepaid Lease Payments	1,746	1,788
Other investment	165	165
	<u>80,618</u>	<u>80,931</u>
CURRENT ASSETS		
Property Development Costs	477	222
Inventories	4,439	3,947
Derivative financial assets	-	6
Trade Receivables	3,739	3,055
Other Receivables, Deposit & Prepayments	285	311
Other Investments	843	385
Tax Recoverable	5	-
Cash & Cash Equivalents	20,686	17,616
	<u>30,474</u>	<u>25,542</u>
TOTAL ASSETS	<u>111,092</u>	<u>106,473</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	8,310	8,310
Retained Earnings	47,705	46,730
TOTAL EQUITY	<u>93,073</u>	<u>92,098</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	7,092	2,340
Deferred Income	-	-
Deferred Tax	6,126	6,126
	<u>13,218</u>	<u>8,466</u>
CURRENT LIABILITIES		
Short Term Borrowings	983	1,235
Trade Payables	997	538
Other Payables, Deposits & Accruals	2,713	3,610
Government Grants	30	60
Derivative financial liabilities	-	-
Provision For Taxation	78	466
	<u>4,801</u>	<u>5,909</u>
TOTAL EQUITY AND LIABILITIES	<u>111,092</u>	<u>106,473</u>
NET ASSETS PER SHARE(RM)	2.5446	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 30 APRIL 2019 (UNAUDITED)

	Attributable to Equity Holders of the Company					Minority Interest	Total Equity
	Share Capital	Non distributable Reserve	Exchange revaluation reserve	Treasury Share	Retained Earnings		
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
3 months ended							
30 April 2019							
Balance at 01 November 2018	40,612	8,310	0	(3,554)	46,730	92,098	0
<i>Total comprehensive income:-</i>							
Profit for the year					1,707	1,707	0
Revaluation Reserve	0	0			0	0	
Transaction with owner:-							
Dividend paid	0	0	0	0	(732)	(732)	0
Balance as 30 April 2019	40,612	8,310	0	(3,554)	47,705	93,073	0
3 months ended							
30 April 2018							
Balance at 01 November 2017	40,612	8,041	0	(3,554)	44,993	90,092	0
<i>Total comprehensive income:-</i>							
Profit/(Loss) for the year					1,715	1,715	0
Transaction with owner:-							
Dividend paid	0	0	0	0	(1,280)	(1,280)	0
Balance at 31 January 2018	40,612	8,041	0	(3,554)	45,428	90,527	0

(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 30 APRIL 2019 (UNAUDITED)

	2019 6 MONTHS ENDED 30-Apr-2019 (RM'000) (Unaudited)	2018 6 MONTHS ENDED 30-Apr-2018 (RM'000) (Unaudited)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	1,972	2,323
<i>ADJUSTMENTS:-</i>		
NON CASH ITEMS	582	712
NON OPERATING ITEMS (INVESTING/FINANCING)	(121)	(72)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,433	2,963
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(492)	(108)
RECEIVABLES	(659)	(299)
PROPERTY DEVELOPMENT COST	38	159
PAYABLES	(443)	122
CASH GENERATED FROM OPERATIONS	877	2,837
TAX REFUND	-	-
TAX PAID	(653)	(441)
NET CASH GENERATED FROM OPERATING ACTIVITIES	224	2,396
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(200)	(242)
INTEREST RECEIVED	265	215
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(385)	(474)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	-	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	19	29
PURCHASE OF QUOTED SHARES	(494)	-
OTHER INVESTMENT	-	-
PURCHASE OF INVESTMENT PROPERTY	-	(64)
NET CASH USED IN INVESTING ACTIVITIES	(795)	(536)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
NET DRAWDOWN/(REPAYMENT) OF BANK BORROWING	4,500	(587)
INTEREST PAID	(127)	(104)
DIVIDEND PAID	(732)	(1,280)
NET CASH USED IN FINANCING ACTIVITIES	3,641	(1,971)
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	3,070	(111)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	17,616	16,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20,686	15,889

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

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

Notes to quarterly report for the quarter ended 30 April 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 Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures for the quarter ended 30 April 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 30 April 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 30 April 2019

As At	30-Apr-19 (Unaudited) RM'000	31-Oct-18 (Audited) RM'000
Total borrowings	8,075	3,575
Total equity	93,073	92,098
Total capital	101,148	95,673
Gearing Ratio	8.7%	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 23 April 2019. 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, interim single-tier dividend of 2 sen per ordinary share for financial year ending 31 October 2019 has been paid in April 2019.

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 30 April 2019	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	8,314	1,175	383	932	10,804
Intersegment revenue	169	11	-	-	180
Reportable segment profit / (loss)	1,452	712	151	(371)	1,944

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	1,944
Investment income	19
Gain on disposal of quoted investments	-
Net fair value gain on held for quoted shares	(50)
Interest income	264
Unallocated amounts:-	
Corporate expenses	(196)
Other expenses	(9)
Group's profit before income tax expense	1,972

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

Notes to quarterly report for the quarter ended 30 April 2019

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 30 April 2019 except as follow:-

	31-Oct-18 (Audited) RM '000	Changes RM '000	30-Apr-19 (Unaudited) RM '000
Total limit	11,500	-300	11,200
Total utilised	3,575	4,500	8,075

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 30 April 2019.

* End of Part A *

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

Notes to quarterly report for the quarter ended 30 April 2019

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
	30-Apr-19	30-Apr-18	30-Apr-19	30-Apr-18
Revenue				
Manufacturing & Trading	4,278	3,752	8,314	8,343
Property Investment	587	566	1,175	1,133
Property Development	332	1,056	383	1,492
Plantation	434	416	932	1,033
Profit/(Loss) before tax				
Manufacturing & Trading	681	14	1,452	698
Property Investment	399	423	712	808
Property Development	208	819	151	1,114
Plantation	(179)	(338)	(371)	(314)

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

Manufacturing segment recorded an increased of pre-tax profit mainly due to higher turnover by 14% and thus pre-tax profit jumped from RM0.014 mil to RM0.681 million.

Property investment segment posted slightly higher revenue but pre-tax profit decreased by RM0.024 million due to higher operating expenses.

Property development segment registered lower revenue and pre-tax profit mainly due to most of the remaining unsold units remained unsold.

Plantation segment still suffered from a loss of RM0.179 million despite had a higher FFB yields mainly due to reduction of FFB price by approximately 25%.

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

Revenue dropped by 9.5% to RM5.57 million while the pre-tax profit reduced by 25% to RM1.107 million from RM1.492 million mainly due to lower gross profit margin despite a marginal reduction of operating expenses.

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

Notes to quarterly report for the quarter ended 30 April 2019

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	304	643
Prior Year	(378)	(378)
Deferred Taxation	-	-
Tax expense *	(74)	265

The effective tax rate for financial period ended 30 April 2019 was lower than the statutory tax rate of 24% mainly due to prior year tax adjustment during the quarter under review.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 30 April 2019.

B7. Group borrowings and debt securities

The group's borrowings as at 30 April 2019 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,022	-	1,022
Long term	7,053	-	7,053
Total	8,075	-	8,075

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.

B9. Proposed Dividends

There were no proposed dividend for the quarter under review.

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)	1,181	1,707
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	3.23	4.67

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 30 April 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;	(142)	(265)
(b) other income including investment income;	(13)	(19)
(c) interest expense;	83	127
(d) depreciation of property, plant and equipment	329	646
(e) amortisation of deferred income	(15)	(30)
(f) amortisation of prepaid land lease payment	9	17
(g) auditors' remuneration	25	50
(h) realised (gain)/loss on foreign exchange	72	72
(i) unrealised (gain)/loss on foreign exchange	42	(6)
(j) rental expenses	10	21
(k) rental income	0	1
(l) net fair value (gain)/loss on held for quoted shares	42	36
(m) Amortisation of Biological Assets	56	113
(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	30-Apr-19
	RM'000
Realised	38,436
Unrealised	28,653
	<u>67,089</u>
Less: Consolidated adjustments	(19,384)
Retained earnings	<u>47,705</u>

BY ORDER OF THE BOARD

Yap Sit Lee
Company Secretary

Kuala Lumpur