

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 APRIL 2024 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 6 MONTHS ENDED	
		30-Apr-2024 RM' 000	30-Apr-2023 RM' 000	30-Apr-2024 RM' 000	30-Apr-2023 RM' 000
		Unaudited	Unaudited	Unaudited	Unaudited
Revenue	B1	5,206	6,103	10,449	13,295
<i>Operating Expenses</i>		(4,861)	(5,295)	(9,901)	(10,945)
<i>Other Income</i>		371	404	949	817
<i>FV Gain/(Loss) on derivative financial instrument</i>		-	-	-	13
<i>Investing Income</i>		36	32	36	44
<i>Finance costs</i>		(243)	(252)	(504)	(509)
Pofit before tax	B2	509	992	1,029	2,715
<i>Tax expense</i>	B5	(424)	(303)	(745)	(732)
Profit after tax		85	689	284	1,983
Other Comprehensive Income:					
<i>Exchange translation reserve</i>		-	-	-	-
<i>Fair value reserve</i>		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		85	689	284	1,983
Profit/(Loss) attributable to:					
<i>Equity holders of the Company</i>		85	689	284	1,983
<i>Non-Controlling Interest</i>		-	-	-	-
		85	-	284	1,983
Total comprehensive income attributable to:					
<i>Equity holders of the Company</i>		85	689	284	1,983
<i>Non-Controlling Interest</i>		-	-	-	-
		85	-	284	1,983
Earnings per share attributable to equity holders of the Company:	B10				
-Basic EPS (sen) *		0.07	0.58	0.24	1.66
-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 2023 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 30 APRIL 2024 (UNAUDITED)

	AS AT 30-Apr-2024 (Unaudited) RM' 000	AS AT 31-Oct-2023 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	8,118	8,530
Right-of-use Assets	38,092	38,129
Investment Properties	77,800	77,800
Land Held for Development	37	49
Other investment	51	51
	<u>124,098</u>	<u>124,558</u>
CURRENT ASSETS		
Land Held for Development	-	-
Inventories	3,318	3,693
Bearer Biological Assets	227	227
Trade Receivables	2,349	2,956
Other Receivables, Deposit & Prepayments	387	414
Other Investments	1,079	1,013
Tax Recoverable	-	159
Cash & Cash Equivalents	40,177	39,832
	<u>47,537</u>	<u>48,294</u>
TOTAL ASSETS	<u>171,635</u>	<u>172,852</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share Capital	40,612	40,612
Treasury Share, At Cost	(3,393)	(3,266)
Revaluation Reserves	19,436	19,436
Retained Earnings	B13 77,948	78,844
TOTAL EQUITY	<u>134,603</u>	<u>135,626</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	B7 11,244	11,919
Lease Liabilities	9,307	9,307
Deferred Tax	11,341	11,341
	<u>31,892</u>	<u>32,567</u>
CURRENT LIABILITIES		
Trade Payables	1,016	366
Other Payables, Deposits & Accruals	2,630	2,101
Short Term Borrowings	B7 1,513	1,644
Lease Liabilities	25	48
Derivative financial liabilities	-	-
Tax Payable	(44)	500
	<u>5,140</u>	<u>4,659</u>
TOTAL EQUITY AND LIABILITIES	<u>171,635</u>	<u>172,852</u>
NET ASSETS PER SHARE(RM)	1.1406	1.1479

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2023 and the accompanying explanatory notes attached to the interim financial statements).

KUMPULAN H & L HIGH-TECH BERHAD

Registration No. 199401032123 (317805-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 APRIL 2024 (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)	
6 months ended 30 April 2024									
Balance as 01 November 2023	Audited	40,612	19,436	0	-3,266	78,844	135,626	0	135,626
Share buy-back as treasury shares					-127		-127		-127
<i>Total comprehensive income:-</i>									
Profit for the year						284	284	0	284
Revaluation Reserve			0				0		0
<i>Transaction with owner:-</i>									
Dividend paid		0	0	0	0	-1,180	-1,180	0	-1,180
Balance as 30 April 2024	Unaudited	<u>40,612</u>	<u>19,436</u>	<u>0</u>	<u>-3,393</u>	<u>77,948</u>	<u>134,603</u>	<u>0</u>	<u>134,603</u>
		-	-	-	-	-	-	-	-
6 months ended 30 April 2023									
Balance as 01 November 2022	Audited	40,612	18,392	0	-1,901	72,218	129,321	0	129,321
Share buy-back as treasury shares					-253		-253	0	-253
<i>Total comprehensive income:-</i>									
Profit/(Loss) for the year					0	1,983	1,983	0	1,983
Revaluation Reserve			0				0		0
<i>Transaction with owner:-</i>									
Dividend paid						-1,195	-1,195	0	-1,195
Balance as 30 April 2023	Unaudited	<u>40,612</u>	<u>18,392</u>	<u>0</u>	<u>-2,154</u>	<u>73,006</u>	<u>129,856</u>	<u>0</u>	<u>129,856</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 2023 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 CASH FLOWS FOR THE QUARTER ENDED 30 APRIL 2024 (UNAUDITED)

	2024 6 MONTHS ENDED 30-Apr-2024 (RM'000) Unaudited	2023 6 MONTHS ENDED 30-Apr-2023 (RM'000) Unaudited
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	1,028	2,715
<i>ADJUSTMENTS:-</i>		
Non Cash Items	330	(39)
Non Operating Items (Investing/Financing)	254	404
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,612	3,080
<u>CHANGES IN WORKING CAPITAL</u>		
Inventories	380	(573)
Receivables	635	322
Property Development Cost	7	215
Payables	1,275	614
CASH GENERATED FROM OPERATIONS	3,909	3,658
Tax Refund	-	-
Tax Paid	(1,130)	(694)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,779	2,964
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Dividend Received From Quoted Investment	36	44
Interest Received	38	17
Proceed From Disposal Of Property, Plant And Machineries	110	10
Proceed From Disposal Of Quoted Shares	-	(1)
Proceeds From Disposal Of Treasury Shares	-	-
Purchase Of Investment Property	-	-
Purchase Of Property, Plant And Equipment	-	-
Share Buy-Back as Treasury Shares	(127)	(253)
Purchase Of Quoted Shares	-	-
NET CASH USED IN INVESTING ACTIVITIES	57	(183)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Dividend Paid	(1,180)	(1,195)
Interest Paid	(504)	(509)
Repayment of Lease Liabilities	-	(99)
Placement of Deposits with Licensed Financial Institutions	-	-
Net Repayment of Borrowings	(807)	(775)
Net Drawdown of Borrowings	-	-
NET CASH USED IN FINANCING ACTIVITIES	(2,491)	(2,578)
Net (Decrease) / Increased In Cash And Cash Equivalents	345	203
Currency Translation Difference	-	-
Cash And Cash Equivalents At Beginning Of Period	39,832	39,201
Cash And Cash Equivalents At End Of Period	40,177	39,404

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2023 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 30 April 2024

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 2024 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 2023.

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 2023.

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 debt-to-equity ratio of 50%. The ratio is calculated as the total of term loans and lease liabilities to total equity.

The debt-to-equity ratios as at 30 April 2024 and 31 October 2023, 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 2024

As At	30-Apr-2024	31-Oct-2023
	(Unaudited)	(Audited)
	RM'000	RM'000
Term Loans	12,757	13,563
Lease Liabilities	9,332	9,355
	22,089	22,918
Owners' equity	134,603	135,626
Debt-to-equity ratio	16.4%	16.9%

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 18 April 2023. 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, shares cancellation, resale of treasury shares and repayments of debts and equity securities during the current quarter:-

During the quarter under review, a total of 145,900 shares bought back as treasury shares in the open market for approximately RM0.8863 per share, total value of share buyback approximately RM127,090 only.

A6. Dividends paid

During the quarter under review, an interim single-tier dividend of 1.0 sen per ordinary share for financial year ending 31 October 2024 has been paid on 18 March 2024.

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

Notes to quarterly report for the quarter ended 30 April 2024

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 2024	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	5,773	1,697	153	2,960	10,583
Intersegment revenue	197	11	-	-	208
Reportable segment profit / (loss)	(659)	1,013	75	561	990

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	990
Investment income	36
Gain/(loss) on disposal of quoted investments	-
Net fair value gain on held for quoted shares	65
Net fair value gain on investment	-
Interest income	183
Unallocated amounts:-	
Corporate expenses	(234)
Other expenses	(12)
Group's profit before income tax expense	1,028

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 2024 except as follow:-

	31-Oct-2023 (Audited) RM '000	Changes RM '000	30-Apr-2024 (Unaudited) RM '000
Total limit	19,200	0	19,200
Total utilised	13,563	-806	12,757

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

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

Notes to quarterly report for the quarter ended 30 April 2024

A11. Capital Commitment

As at 30 April 2024, there were no capital commitments.

* End of Part A *

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

Notes to quarterly report for the quarter ended 30 April 2024

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-2024	30-Apr-2023	30-Apr-2024	30-Apr-2023
Revenue				
Manufacturing & Trading	2,955	3,947	5,773	7,622
Property Investment	848	809	1,697	1,617
Property Development	-	263	153	1,226
Plantation	1,470	1,149	2,960	2,960
Profit/(Loss) before tax				
Manufacturing & Trading	(308)	950	(659)	942
Property Investment	543	(246)	1,013	94
Property Development	(17)	175	75	921
Plantation	358	48	561	624

For current quarter under review as compared to preceding year corresponding quarter,

Manufacturing segment's revenue dropped by 25.1% or RM0.992 million which lead to a pre-tax loss RM0.308 million due to lower sale order received from overseas.

Property investment segment recorded lightly higher revenue from rental adjustment while pre-tax profit returned to normal mainly due to one-off high maintenance cost incurred during preceding year corresponding quarter.

Property development segment did not register any revenue.

Plantation segment's revenue improved by 27.9% mainly due to higher weighted average fresh fruit bunch (FFB) by 4.0% as well as a 23% increased in FFB output and therefore the pretax profit jumped six-fold to RM0.358 million from a mere RM 0.048 million.

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

The group's pre-tax profit and revenue approximate immediate preceding quarter despite lower operating expenses while having lower non-operating income.

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

Notes to quarterly report for the quarter ended 30 April 2024

B3. Current financial year's prospect

Barring unforeseen circumstances, the Board foresees 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	337	658
Prior Year	87	87
Deferred Taxation	-	-
Tax expense *	424	745

The effective tax rate for financial period ended 30 April 2024 was higher than the statutory tax rate of 24% mainly due to avoid under provision of taxation which may trigger penalty for underestimation of tax payable.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 30 April 2024.

B7. Group borrowings and debt securities

The group's borrowings as at 30 April 2024 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,513	-	1,513
Long term	11,244	-	11,244
Total	12,757	-	12,757

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.

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

Notes to quarterly report for the quarter ended 30 April 2024

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)	85	689
Weighted average number of ordinary shares ('000)	118,008	119,470
Basic earning/(loss) per share (sen)	0.07	0.58

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 2023 did not contain any qualification.

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

Notes to quarterly report for the quarter ended 30 April 2024

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	(18)	(38)
2	Gross dividend income *	(36)	(36)
3	Interest expenses	243	504
4	Depreciation of property, plant and equipment	241	491
5	Amortisation of Right-Of-Use Assets	164	328
6	Amortisation of Biological Assets	83	166
7	Auditors' remuneration	36	72
8	Realised (Gain)/Loss on Foreign Exchange	-	20
9	Unrealised (Gain)/Loss on Foreign Exchange	9	(8)
10	Rental income	(848)	(1,697)
11	Net fair value (gain)/loss on held *	27	(66)
12	(Gain)/loss on disposal of PPE	(20)	(110)
13	Rental expenses	9	55

* from/for quoted shares in Malaysia

PPE = property, plant and equipment

The End.