

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2017 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
		31-Jan-17 RM' 000	31-Jan-16 RM' 000	31-Jan-17 RM' 000	31-Jan-16 RM' 000
Revenue	B1	5,394	5,331	5,394	5,331
Operating Expenses		(4,657)	(5,115)	(4,657)	(5,115)
Other Income		590	262	590	262
Gain on derivative financial instrument		-	-	-	-
Investing Income		11	6	11	6
Finance costs		(77)	(96)	(77)	(96)
Profit before tax	B2	1,261	388	1,261	388
Tax expense	B5	(213)	(151)	(213)	(151)
Profit after tax		1,048	237	1,048	237
Other Comprehensive Income:					
Exchange translation reserve		-	-	-	-
Fair value reserve		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		1,048	237	1,048	237
Profit/(Loss) attributable to:					
Equity holders of the Company		1,048	237	1,048	237
Non-Controlling Interest		-	-	-	-
		1,048	237	1,048	237
Total comprehensive income attributable to:					
Equity holders of the Company		1,048	237	1,048	237
Non-Controlling Interest		-	-	-	-
		1,048	237	1,048	237
Earnings per share attributable to equity holders of the Company:	B14				
-Basic EPS (sen)		2.87	0.65	2.87	0.65
-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 2016 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 2017 (UNAUDITED)

	AS AT 31-Jan-17 (Unaudited) RM' 000	AS AT 31-Oct-16 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	14,182	14,481
Investment Properties	51,027	49,826
Land Held for Development	547	547
Biological assets	4,701	4,757
Prepaid Lease Payments	1,821	1,830
Other investment	165	165
	<u>72,443</u>	<u>71,606</u>
CURRENT ASSETS		
Property Development Costs	427	508
Inventories	2,959	3,113
Derivative financial assets	-	1
Trade Receivables	3,389	3,643
Other Receivables, Deposit & Prepayments	853	1,541
Other Investments	458	410
Tax Recoverable	-	36
Cash & Cash Equivalents	15,669	15,242
	<u>23,755</u>	<u>24,494</u>
TOTAL ASSETS	<u>96,198</u>	<u>96,100</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	6,003	6,003
Retained Earnings	41,750	40,703
TOTAL EQUITY	<u>84,811</u>	<u>83,764</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	4,391	4,714
Deferred Income	105	120
Deferred Tax	3,318	3,318
	<u>7,814</u>	<u>8,152</u>
CURRENT LIABILITIES		
Short Term Borrowings	1,220	1,166
Trade Payables	446	336
Other Payables, Deposits & Accruals	1,860	2,447
Government Grants	-	60
Derivative financial liabilities	-	25
Provision For Taxation	47	150
	<u>3,573</u>	<u>4,184</u>
TOTAL EQUITY AND LIABILITIES	<u>96,198</u>	<u>96,100</u>
NET ASSETS PER SHARE(RM)	2.3187	2.2901

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2016 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 2017 (UNAUDITED)

	Attributable to Equity Holders of the Company						Minority Interest	Total Equity
	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)
3 months ended								
31 January 2017								
Balance at 01 November 2016	40,612	6,003	0	(3,554)	40,703	83,764	0	83,764
<i>Total comprehensive income:-</i>								
Profit for the year					1,047	1,047	0	1,047
Revaluation Reserve		0				0		0
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	0	0	0	0
Balance as 31 January 2017	40,612	6,003	0	(3,554)	41,750	84,811	0	84,811
3 months ended								
31 January 2016								
Balance at 01 November 2015	40,612	5,786	0	(3,554)	37,977	80,821	0	80,821
<i>Total comprehensive income:-</i>								
Profit/(Loss) for the year	0	0	0	0	237	237	0	237
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	0	0	0	0
Balance at 31 January 2016	40,612	5,786	0	(3,554)	38,214	81,058	0	81,058

(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 2016 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 2017 (UNAUDITED)

	2017 3 MONTHS ENDED 31-Jan-2017 (RM'000)	2016 3 MONTHS ENDED 31-Jan-2016 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	1,261	388
ADJUSTMENTS:-		
NON CASH ITEMS	347	416
NON OPERATING ITEMS (INVESTING/FINANCING)	(77)	(180)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,531	624
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	154	(82)
RECEIVABLES	954	482
PROPERTY DEVELOPMENT COST	81	65
PAYABLES	(549)	(6)
CASH GENERATED FROM OPERATIONS	2,171	1,083
TAX REFUND	-	-
TAX PAID	(281)	(180)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,890	903
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	-	-
INTEREST RECEIVED	96	88
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(24)	(143)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	-	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	11	6
PURCHASE OF INVESTMENT PROPERTY	(1,200)	-
NET CASH USED IN INVESTING ACTIVITIES	(1,117)	(49)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(269)	(250)
INTEREST PAID	(77)	(96)
DIVIDEND PAID	-	(549)
NET CASH USED IN FINANCING ACTIVITIES	(346)	(895)
CURRENCY TRANSLATION DIFFERENCE	-	170
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	427	129
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,242	16,161
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,669	16,290

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2016 and the accompanying explanatory notes attached to the interim financial statement.)

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 January 2017 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 2016.

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 2016.

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 2017 and 31 October 2016, 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 January 2017

As At	31-Jan-17 (Unaudited) RM'000	31-Oct-16 (Audited) RM'000
Total borrowings	5,611	5,880
Total equity	84,811	83,763
Total capital	90,422	89,643
Gearing Ratio	6.6%	7.0%

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 2017. 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 2017	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	3,478	483	953	583	5,497
Intersegment revenue	-	-	-	-	-
Reportable segment profit / (loss)	46	266	759	89	1,160

Reconciliation of profit or loss	RM '000
Total profit for reportable segments	1,160
Investment income	11
Gain on disposal of quoted investments	-
Net fair value gain on held for quoted shares	48
Interest income	96
Unallocated amounts:-	
Corporate expenses	(54)
Group's profit before income tax expense	1,261

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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 2017 except as follow:-

	31-Oct-16 (Audited) RM '000	Changes RM '000	31-Jan-17 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	5,880	-269	5,611

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

A11. Capital Commitment

Save for the following, there was no capital commitments not provided for in the financial statement as at 31 January 2017.

Authorised and contracted for	RM 0.105 million
Authorised but not contracted for	RM NIL

* End of Part A *

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Notes to quarterly report for the quarter ended 31 January 2017

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-17	31-Jan-16
Revenue		
Manufacturing & Trading	3,478	4,349
Property Investment	483	502
Property Development	953	433
Plantation	583	87
Profit/(Loss) before tax		
Manufacturing & Trading	46	130
Property Investment	266	281
Property Development	759	222
Plantation	89	(301)

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

Revenue and pre-tax profit for Manufacturing segment decrease due to lower sales and lower gross profit margin.

Property investment segment registered slightly lower results due to a key tenant moved out during the quarter.

Higher sales in property development segment causes the revenue and pre-tax profit increased substantially from the Ipoh phase II project.

Plantation segment registered higher revenue and turnaround from pre-tax loss to profit as more palms maturing in past 12 months and FFB production increased as well as higher FFB price.

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

Fair value gain in investment properties were recognized in the immediate preceding quarter, if were to excluded, current quarter pre-tax profit increased marginally by 2.5% as compared with immediate preceding quarter mainly due to increase in revenue in property development segment, despite the operating expenses increased by 19% or RM0.2mil from RM1.2mil to RM1.4mil.

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Notes to quarterly report for the quarter ended 31 January 2017

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	213	213
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	213	213

The effective tax rate for financial period ended 31 January 2017 was lower 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 2017.

B7. Group borrowings and debt securities

The group's borrowings as at 31 January 2017 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,138	-	1,138
Long term	4,473	-	4,473
Total	5,611	-	5,611

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 31 January 2017

B9. Proposed Dividends

There were no proposed dividend for the quarter under review except the final dividends for financial year ended 31 October 2016 approved by the shareholders on 28 March 2017 during the Annual General Meeting.

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)	1,048	1,048
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	2.87	2.87

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 2016 did not contain any qualification.

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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;	(96)	(96)
(b) other income including investment income;	(11)	(11)
(c) interest expense;	77	77
(d) depreciation of property, plant and equipment	322	322
(e) amortisation of deferred income	(15)	(15)
(f) amortisation of prepaid land lease payment	8	8
(g) auditors' remuneration	24	24
(h) realised (gain)/loss on foreign exchange	(214)	(214)
(i) unrealised (gain)/loss on foreign exchange	(122)	(122)
(j) rental expenses	41	41
(k) rental income	(43)	(43)
(l) net fair value (gain)/loss on held for quoted shares	(48)	(48)
(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-17
	RM'000
Realised	48,101
Unrealised	13,255
	<u>61,356</u>
Less: Consolidated adjustments	<u>(19,606)</u>
Retained earnings	<u>41,750</u>

BY ORDER OF THE BOARD

Yap Sit Lee
Company Secretary

Kuala Lumpur