

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 OCTOBER 2017 (UNAUDITED)

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
	31-Oct-17 RM' 000	31-Oct-16 RM' 000	31-Oct-17 RM' 000	31-Oct-16 RM' 000
Revenue	5,805	5,065	21,160	19,367
Operating Expenses	(4,757)	(4,182)	(17,191)	(18,154)
Other Income	2,649	2,555	3,378	3,457
Gain on derivative financial instrument	-	-	-	-
Investing Income	7	6	32	25
Finance costs	(51)	(62)	(252)	(312)
Profit before tax	3,653	3,382	7,127	4,383
Tax expense	(793)	(412)	(1,437)	(964)
Profit after tax	2,860	2,970	5,690	3,419
Other Comprehensive Income:				
Exchange translation reserve	-	-	-	-
Fair value reserve	1,934	-	1,934	-
Other Comprehensive Income net of tax	1,934	-	1,934	-
Total Comprehensive Income	4,794	2,970	7,624	3,419
Profit/(Loss) attributable to:				
Equity holders of the Company	2,860	2,970	5,690	3,419
Non-Controlling Interest	-	-	-	-
	2,860	2,970	5,690	3,419
Total comprehensive income attributable to:				
Equity holders of the Company	4,794	3,187	7,624	3,636
Non-Controlling Interest	-	-	-	-
	4,794	3,187	7,624	3,636
Earnings per share attributable to equity holders of the Company:				
-Basic EPS (sen)	7.82	8.12	15.56	9.35
-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 OCTOBER 2017 (UNAUDITED)

	AS AT 31-Oct-17 (Unaudited) RM' 000	AS AT 31-Oct-16 (Audited) RM' 000	Different RM' 000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	16,176	14,481	1,695
Investment Properties	55,016	49,826	5,190
Land Held for Development	-	547	(547)
Biological assets	4,959	4,757	202
Prepaid Lease Payments	1,796	1,830	(34)
Other investment	165	165	-
	78,112	71,606	6,506
CURRENT ASSETS			
Property Development Costs	804	508	296
Inventories	4,020	3,113	907
Derivative financial assets	8	1	7
Trade Receivables	3,454	3,643	(189)
Other Receivables, Deposit & Prepayments	257	1,541	(1,284)
Other Investments	462	410	52
Tax Recoverable	34	36	(2)
Cash & Cash Equivalents	16,030	15,242	788
	25,069	24,494	575
TOTAL ASSETS	103,181	96,100	7,081
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	7,937	6,003	1,934
Retained Earnings	45,113	40,703	4,410
TOTAL EQUITY	90,108	83,764	6,344
NON-CURRENT LIABILITIES			
Long Term Borrowings	3,548	4,714	(1,166)
Deferred Income	60	120	(60)
Deferred Tax	4,189	3,318	871
	7,797	8,152	(355)
CURRENT LIABILITIES			
Short Term Borrowings	1,200	1,166	34
Trade Payables	602	336	266
Other Payables, Deposits & Accruals	3,018	2,447	571
Government Grants	60	60	-
Derivative financial liabilities	-	25	(25)
Provision For Taxation	396	150	246
	5,276	4,184	1,092
TOTAL EQUITY AND LIABILITIES	103,181	96,100	7,081
NET ASSETS PER SHARE(RM)	2.4635	2.2901	0.1734

(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 OCTOBER 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)	
12 months ended								
31 October 2017								
Balance at 01 November 2016	40,612	6,003	0	(3,554)	40,703	83,764	0	
<i>Total comprehensive income:-</i>								
Profit for the year					5,690	5,690	0	
Revaluation Reserve		1,934			1,934	1,934		
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	(1,280)	(1,280)	0	
Balance as 31 October 2017	40,612	7,937	0	(3,554)	45,113	90,108	0	
12 months ended								
31 October 2016								
Balance at 01 November 2015	40,612	5,786	0	(3,554)	37,977	80,821	0	
<i>Total comprehensive income:-</i>								
Profit/(Loss) for the year	0	0	0	0	449	449	0	
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	(732)	(732)	0	
Balance at 31 October 2016	40,612	5,786	0	(3,554)	37,694	80,538	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 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 OCTOBER 2017 (UNAUDITED)

	2017 12 MONTHS ENDED 31-Oct-2017 (RM'000) (Unaudited)	2016 12 MONTHS ENDED 31-Oct-2016 (RM'000) (Unaudited)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	7,127	4,422
ADJUSTMENTS:-		
NON CASH ITEMS	(1,339)	(409)
NON OPERATING ITEMS (INVESTING/FINANCING)	(205)	(25)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,583	3,988
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(908)	351
RECEIVABLES	1,473	-
PROPERTY DEVELOPMENT COST	251	134
PAYABLES	804	128
CASH GENERATED FROM OPERATIONS	7,203	4,601
TAX REFUND	136	13
TAX PAID	(1,291)	(1,692)
NET CASH GENERATED FROM OPERATING ACTIVITIES	6,048	2,922
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(428)	-
INTEREST RECEIVED	380	410
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	116	(452)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	(6)	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	32	25
OTHER INVESTMENT	-	-
PURCHASE OF INVESTMENT PROPERTY	(2,690)	(1,267)
NET CASH USED IN INVESTING ACTIVITIES	(2,596)	(1,130)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(1,132)	(1,072)
DRAWDOWN OF TERM LOAN	-	-
INTEREST PAID	(252)	(312)
DIVIDEND PAID	(1,280)	(1,280)
NET CASH USED IN FINANCING ACTIVITIES	(2,664)	(2,664)
CURRENCY TRANSLATION DIFFERENCE	-	(47)
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	788	(919)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,242	16,161
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,030	15,242

(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 October 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 31 October 2016.

A2. Seasonal or cyclical of interim operations

The Group's business operations were not affected by any material 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 October 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 October 2017

As At	31-Oct-17	31-Oct-16 (Audited)
	RM'000	RM'000
Total borrowings	4,748	5,880
Total equity	90,108	83,763
Total capital	94,856	89,643
Gearing Ratio	5.3%	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, joint property development and plantation.

Segment information for the financial year ended 31 October 2017	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	14,784	1,344	2,632	2,609	21,369
Intersegment revenue	594	22	-	-	616
Reportable segment profit / (loss)	1,979	222	1,971	256	4,428

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	4,428
Investment income	32
Gain on disposal of quoted investments	-
Net fair value gain / (loss) on held for quoted shares	51
Fair value adjustment on investment properties	2,500
Interest income	380
Unallocated amounts:-	
Corporate expenses	(252)
Other expenses	(12)
Group's profit before income tax expense	7,127

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Notes to quarterly report for the quarter ended 31 October 2017

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 October 2017 except as follow:-

	31-Oct-16 (Audited) RM '000	Changes RM '000	31-Oct-17 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	5,880	-1,132	4,748

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 October 2017.

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

* End of Part A *

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Notes to quarterly report for the quarter ended 31 October 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		Cumulative quarter	
	Current year	Preceding year corresponding quarter	Current year	Preceding year corresponding period
	31-Oct-17	31-Oct-16	31-Oct-17	31-Oct-16
Revenue				
Manufacturing & Trading	4,200	3,697	14,784	14,824
Property Investment	506	350	1,344	2,059
Property Development	295	288	2,632	1,426
Plantation	858	593	2,609	1,225
Profit/(Loss) before tax				
Manufacturing & Trading	949	601	1,979	(260)
Property Investment	(141)	396	222	1,088
Property Development	167	150	1,971	674
Plantation	186	79	256	(688)

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

Turnover for Manufacturing & Trading segment improved by 13.6% due to higher order and pretax profit increased mainly due to improved gross profit margin and lower operating cost.

Property investment segment suffered a pretax loss compared to pretax profit made in preceding year corresponding quarter as one of the key tenant moved out after tenancy expired.

Property development segment turnover as well as pretax profit were approximate compared to preceding year corresponding quarter.

Plantation segment recorded a higher pre-tax profit due to higher revenue as a result of increased FFB output and higher FFB selling price.

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

For the quarter ended 31 October 2017, the group's revenue increased by 21% when compared to immediate preceding quarter ended 31 July 2017, mainly contributed by improvement in Manufacturing and Property Investment segments.

Pretax profit was RM 3.653 million as compared immediate preceding quarter's pretax profit of RM0.921 million. The significant improvements were due to fair value gain on investment properties amounted RM2.50 million as well as improvement in Manufacturing and Plantation segment.

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Notes to quarterly report for the quarter ended 31 October 2017

B3. Next financial year's prospect

Barring unforeseen circumstances, the Boards foresee the next financial year ahead remains challenging. 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	726	1,327
Prior Year	(51)	(8)
Deferred Taxation	118	118
Tax expense *	793	1,437

The effective tax rate for financial year ended 31 October 2017 was lower than the statutory tax rate of 24% mainly due to non-taxable fair value gain by certain subsidiaries during the quarter and period under review.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 October 2017.

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	1,181	-	1,181
Long term	3,567	-	3,567
Total	4,748	-	4,748

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 dividend proposed for the current 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 of RM1.00 each 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)	2,860	5,690
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	7.82	15.56

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.

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;	(98)	(380)
(b) other income including investment income;	(7)	(32)
(c) interest expense;	51	252
(d) depreciation of property, plant and equipment	63	993
(e) amortisation of prepaid land lease payment	8	33
(f) amortisation of biological assets	57	227
(g) auditors' remuneration	24	96
(h) realised (gain)/loss on foreign exchange	31	(97)
(i) unrealised (gain)/loss on foreign exchange	(42)	(175)
(j) rental expenses	35	107
(k) rental income	7	32
(l) net fair value (gain)/loss on held for quoted shares	22	(51)
(m) (Gain)/loss on disposal of property, plant and equipment	0	6
(n) Amortisation of deferred income	(15)	(60)
(o) (Gain)/loss on disposal of quoted investment	0	0
(p) Fair value gain on investment properties	(2,500)	(2,500)

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-17
	RM '000
Realised	37,281
Unrealised	27,830
	<u>65,111</u>
Less: Consolidation Adjustments	(19,998)
Retained Earnings	<u>45,113</u>

BY ORDER OF THE BOARD

Yap Sit Lee
Company Secretary

Kuala Lumpur