

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2018 (UNAUDITED)

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
	31-Jan-18 RM' 000	31-Jan-17 RM' 000	31-Jan-18 RM' 000	31-Jan-17 RM' 000
Revenue	6,158	5,394	6,158	5,394
Operating Expenses	(4,730)	(4,657)	(4,730)	(4,657)
Other Income	105	590	105	590
Gain on derivative financial instrument	-	-	-	-
Investing Income	20	11	20	11
Finance costs	(61)	(77)	(61)	(77)
Profit before tax	1,492	1,261	1,492	1,261
Tax expense	(476)	(213)	(476)	(213)
Profit after tax	1,016	1,048	1,016	1,048
Other Comprehensive Income:				
Exchange translation reserve	-	-	-	-
Fair value reserve	-	-	-	-
Other Comprehensive Income net of tax	-	-	-	-
Total Comprehensive Income	1,016	1,048	1,016	1,048
Profit/(Loss) attributable to:				
Equity holders of the Company	1,016	1,048	1,016	1,048
Non-Controlling Interest	-	-	-	-
	1,016	1,048	1,016	1,048
Total comprehensive income attributable to:				
Equity holders of the Company	1,016	1,048	1,016	1,048
Non-Controlling Interest	-	-	-	-
	1,016	1,048	1,016	1,048
Earnings per share attributable to equity holders of the Company:				
-Basic EPS (sen)	2.78	2.87	2.78	2.87
-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 2017 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 2018 (UNAUDITED)

	AS AT 31-Jan-18 (Unaudited) RM' 000	AS AT 31-Oct-17 (Audited) RM' 000	Different RM' 000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	16,217	16,176	41
Investment Properties	55,063	55,016	47
Land Held for Development	-	294	(294)
Biological assets	5,028	4,959	69
Prepaid Lease Payments	1,788	1,796	(8)
Other investment	165	165	-
	<u>78,261</u>	<u>78,406</u>	<u>(145)</u>
CURRENT ASSETS			
Property Development Costs	768	510	258
Inventories	4,376	4,020	356
Derivative financial assets	-	9	(9)
Trade Receivables	3,593	3,453	140
Other Receivables, Deposit & Prepayments	342	326	16
Other Investments	491	462	29
Tax Recoverable	72	39	33
Cash & Cash Equivalents	16,380	16,000	380
	<u>26,022</u>	<u>24,819</u>	<u>1,203</u>
TOTAL ASSETS	<u>104,283</u>	<u>103,225</u>	<u>1,058</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	8,041	8,041	-
Retained Earnings	45,460	44,993	467
TOTAL EQUITY	<u>90,559</u>	<u>90,092</u>	<u>467</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	3,267	3,535	(268)
Deferred Income	45	60	(15)
Deferred Tax	4,258	4,258	-
	<u>7,570</u>	<u>7,853</u>	<u>(283)</u>
CURRENT LIABILITIES			
Short Term Borrowings	1,195	1,212	(17)
Trade Payables	1,328	602	726
Other Payables, Deposits & Accruals	2,990	3,023	(33)
Government Grants	60	60	-
Derivative financial liabilities	-	-	-
Provision For Taxation	581	383	198
	<u>6,154</u>	<u>5,280</u>	<u>874</u>
TOTAL EQUITY AND LIABILITIES	<u>104,283</u>	<u>103,225</u>	<u>1,058</u>
NET ASSETS PER SHARE(RM)	2.4759	2.4631	0.0128

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2017 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 2018 (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)
3 months ended							
31 January 2018							
Balance at 01 November 2017	40,612	8,041	0	-3,554	44,993	0	90,092
<i>Total comprehensive income:-</i>							
Profit for the year					1,016	0	1,016
Revaluation Reserve		0			0		0
<i>Transaction with owner:-</i>							
Dividend paid	0	0	0	0	-549	0	-549
Balance as 31 January 2018	40,612	8,041	0	-3,554	45,460	0	90,559
3 months ended							
31 January 2017							
Balance at 01 November 2016	40,612	6,003	0	-3,554	40,703	0	83,764
<i>Total comprehensive income:-</i>							
Profit/(Loss) for the year	0	0	0	0	1,047	0	1,047
<i>Transaction with owner:-</i>							
Dividend paid	0	0	0	0	0	0	0
Balance at 31 January 2017	40,612	6,003	0	-3,554	41,750	0	84,811

(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 2017 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 2018 (UNAUDITED)

	2018 3 MONTHS ENDED 31-Jan-2018 (RM'000) (Unaudited)	2017 3 MONTHS ENDED 31-Jan-2017 (RM'000) (Unaudited)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	1,492	1,261
ADJUSTMENTS:-		
NON CASH ITEMS	363	347
NON OPERATING ITEMS (INVESTING/FINANCING)	(100)	(77)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>1,755</u>	<u>1,531</u>
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(357)	154
RECEIVABLES	(156)	954
PROPERTY DEVELOPMENT COST	36	81
PAYABLES	621	(549)
CASH GENERATED FROM OPERATIONS	<u>1,899</u>	<u>2,171</u>
TAX REFUND	-	-
TAX PAID	(239)	(281)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>1,660</u>	<u>1,890</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(126)	-
INTEREST RECEIVED	111	96
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(344)	(24)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	-	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	20	11
OTHER INVESTMENT	-	-
PURCHASE OF INVESTMENT PROPERTY	(47)	(1,200)
NET CASH USED IN INVESTING ACTIVITIES	<u>(386)</u>	<u>(1,117)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(284)	(269)
INTEREST PAID	(61)	(77)
DIVIDEND PAID	(549)	-
NET CASH USED IN FINANCING ACTIVITIES	<u>(894)</u>	<u>(346)</u>
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	380	427
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,000	15,158
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>16,380</u>	<u>15,585</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2017 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 2018 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 2017.

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 2017.

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 2018 and 31 October 2017, 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 2018

As At	31-Jan-18 (Unaudited) RM'000	31-Oct-17 (Audited) RM'000
Total borrowings	4,462	4,747
Total equity	90,819	90,092
Total capital	95,281	94,839
Gearing Ratio	4.9%	5.3%

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

During the quarter under review, the Company has paid an interim dividend of 1.5 sen per ordinary share amounted to RM548,651 for the financial year ended 31 October 2017.

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	4,591	567	436	617	6,211
Intersegment revenue	174	5	-	-	
Reportable segment profit / (loss)	684	385	295	24	1,388

<u>Reconciliation of profit or loss</u>	RM '000
Total profit for reportable segments	1,388
Investment income	20
Gain on disposal of quoted investments	-
Net fair value gain on held for quoted shares	30
Interest income	111
Unallocated amounts:-	
Corporate expenses	(53)
Other expenses	(4)
Group's profit before income tax expense	1,492

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 2018 except as follow:-

	31-Oct-17 (Audited) RM '000	Changes RM '000	31-Jan-18 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	4,747	-285	4,462

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 31 January 2018.

* End of Part A *

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

Notes to quarterly report for the quarter ended 31 January 2018

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-18	31-Jan-17
Revenue		
Manufacturing & Trading	4,591	3,478
Property Investment	567	483
Property Development	436	953
Plantation	617	583
Profit/(Loss) before tax		
Manufacturing & Trading	684	46
Property Investment	385	266
Property Development	295	759
Plantation	24	89

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

Revenue and pre-tax profit for Manufacturing segment increased significantly due to stronger order from overseas customers and more than 50% of the increased revenue translated to pre-tax profit.

Property investment segment also did better both top line and the pretax profit mainly due higher occupancy rate.

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

Plantation segment registered higher revenue as more palms maturing in past 12 months despite the average FFB sales price lower by about 18% but pretax profit were lower than preceding year corresponding period due higher production cost incurred during the period..

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 by 32.6% as compared with immediate preceding quarter mainly due to increase in revenue in manufacturing segment and property development segment, despite the worst-than-expected harvest from plantation segment.

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	462	462
Prior Year	14	14
Deferred Taxation	-	-
Tax expense *	476	476

The effective tax rate for financial period ended 31 January 2018 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 2018.

B7. Group borrowings and debt securities

The group's borrowings as at 31 January 2018 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,195	-	1,195
Long term	3,267	-	3,267
Total	4,462	-	4,462

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 except the final dividends for financial year ended 31 October 2017 approved by the shareholders on 28 March 2018 during the Annual General Meeting, payment date on 13 April 2018.

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)	1,016	1,016
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	2.78	2.78

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 2017 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;	(111)	(111)
(b) other income including investment income;	(20)	(20)
(c) interest expense;	61	61
(d) depreciation of property, plant and equipment	304	304
(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	111	111
(i) unrealised (gain)/loss on foreign exchange	(59)	(59)
(j) rental expenses	17	17
(k) rental income	0	0
(l) net fair value (gain)/loss on held for quoted shares	(30)	(30)
(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-18
	RM'000
Realised	37,227
Unrealised	27,839
	<u>65,066</u>
Less: Consolidated adjustments	(19,606)
Retained earnings	<u>45,460</u>

BY ORDER OF THE BOARD

Yap Sit Lee
Company Secretary

Kuala Lumpur