

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 JULY 2017 (UNAUDITED)

	AS AT 31-Jul-17 (Unaudited) RM' 000	AS AT 31-Oct-16 (Audited) RM' 000	Different RM' 000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	13,702	14,481	(779)
Investment Properties	52,206	49,826	2,380
Land Held for Development	-	547	(547)
Biological assets	4,869	4,757	112
Prepaid Lease Payments	1,805	1,830	(25)
Other investment	165	165	-
	72,747	71,606	1,141
CURRENT ASSETS			
Property Development Costs	833	508	325
Inventories	4,265	3,113	1,152
Derivative financial assets	-	1	(1)
Trade Receivables	3,866	3,643	223
Other Receivables, Deposit & Prepayments	308	1,541	(1,233)
Other Investments	484	410	74
Tax Recoverable	57	36	21
Cash & Cash Equivalents	14,945	15,242	(297)
	24,758	24,494	264
TOTAL ASSETS	97,505	96,100	1,405
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	42,252	40,703	1,549
TOTAL EQUITY	85,313	83,764	1,549
NON-CURRENT LIABILITIES			
Long Term Borrowings	3,843	4,714	(871)
Deferred Income	75	120	(45)
Deferred Tax	3,318	3,318	-
	7,236	8,152	(916)
CURRENT LIABILITIES			
Short Term Borrowings	1,200	1,166	34
Trade Payables	1,017	336	681
Other Payables, Deposits & Accruals	2,692	2,447	245
Government Grants	60	60	-
Derivative financial liabilities	-	25	(25)
Provision For Taxation	(13)	150	(163)
	4,956	4,184	772
TOTAL EQUITY AND LIABILITIES	97,505	96,100	1,405
NET ASSETS PER SHARE(RM)	2.3325	2.2901	0.0423

(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 JULY 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)	
9 months ended 31 July 2017								
Balance at 01 November 2016	40,612	6,003	0	(3,554)	40,703	83,764	0	83,764
Total comprehensive income:-								
Profit for the year		0			2,829	2,829	0	2,829
Revaluation Reserve						0		0
Transaction with owner:-								
Dividend paid	0	0	0	0	(1,280)	(1,280)	0	(1,280)
Balance as 31 July 2017	40,612	6,003	0	(3,554)	42,252	85,313	0	85,313
9 months ended 31 July 2016								
Balance at 01 November 2015	40,612	5,786	0	(3,554)	37,977	80,821	0	80,821
Total comprehensive income:-								
Profit/(Loss) for the year	0	0	0	0	449	449	0	449
Transaction with owner:-								
Dividend paid	0	0	0	0	(732)	(732)	0	(732)
Balance at 31 July 2016	40,612	5,786	0	(3,554)	37,694	80,538	0	80,538

(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 JULY 2017 (UNAUDITED)

	2017	2016
	9 MONTHS	9 MONTHS
	ENDED	ENDED
	31-Jul-2017	31-Jul-2016
	(RM'000)	(RM'000)
	(Unaudited)	(Unaudited)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	3,475	1,000
<i>ADJUSTMENTS:-</i>		
NON CASH ITEMS	1,055	1,275
NON OPERATING ITEMS (INVESTING/FINANCING)	(173)	(93)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,357	2,182
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(1,154)	16
RECEIVABLES	1,011	1,009
PROPERTY DEVELOPMENT COST	222	101
PAYABLES	869	(128)
CASH GENERATED FROM OPERATIONS	5,305	3,180
TAX REFUND	-	-
TAX PAID	(772)	(1,275)
NET CASH GENERATED FROM OPERATING ACTIVITIES	4,533	1,905
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(282)	-
INTEREST RECEIVED	282	319
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(151)	(341)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	(6)	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	25	19
OTHER INVESTMENT	-	155
PURCHASE OF INVESTMENT PROPERTY	(2,379)	(1,230)
NET CASH USED IN INVESTING ACTIVITIES	(2,511)	(1,078)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(838)	(788)
INTEREST PAID	(201)	(250)
DIVIDEND PAID	(1,280)	(1,280)
NET CASH USED IN FINANCING ACTIVITIES	(2,319)	(2,318)
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	(297)	(1,491)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,242	16,161
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,945	14,670

(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.)

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

Notes to quarterly report for the quarter ended 31 July 2017

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 July 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 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 July 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 July 2017

As At	31-Jul-17	31-Oct-16 (Audited)
	RM'000	RM'000
Total borrowings	5,043	5,880
Total equity	85,313	83,763
Total capital	90,356	89,643
Gearing Ratio	5.9%	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 dividend paid during the quarter under review.

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Notes to quarterly report for the quarter ended 31 July 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 July 2017	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	10,584	838	2,337	1,751	15,510
Intersegment revenue	-	-	-	-	-
Reportable segment profit / (loss)	1,030	363	1,804	70	3,267

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	3,267
Investment income	25
Gain on disposal of quoted investments	-
Net fair value gain on held for quoted shares	73
Interest income	282
Unallocated amounts:-	
Corporate expenses	(172)
Group's profit before income tax expense	3,475

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 July 2017 except as follow:-

	31-Oct-16 (Audited) RM '000	Changes RM '000	31-Jul-17 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	5,880	-838	5,042

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 31 July 2017

A11. Capital Commitment

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

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

* End of Part A *

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Notes to quarterly report for the quarter ended 31 July 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-Jul-17	31-Jul-16	31-Jul-17	31-Jul-16
Revenue				
Manufacturing & Trading	3,595	3,450	10,584	11,127
Property Investment	207	585	838	1,709
Property Development	363	393	2,337	1,138
Plantation	686	350	1,751	632
Profit/(Loss) before tax				
Manufacturing & Trading	502	(106)	1,030	(260)
Property Investment	51	369	363	1,088
Property Development	224	247	1,804	674
Plantation	62	(65)	70	(688)

For current quarter under review, comparing to the preceding year corresponding quarter,

The Manufacturing segments recorded a pretax profit of RM 0.5 mil as compared to a pretax-loss of RM0.1 mil with marginally higher turnover mainly due to higher gross profit margin.

The Property Investment segment's turnover and pretax profit lowered significantly as the one of the key tenant moved out earlier the year after tenancy expired.

The Property Development segment recorded marginally lower revenue and pretax profit.

The Plantation segment had a turnaround from loss to pretax profit with higher revenue from increased FFB sales.

B2. Financial review and explanatory comment for current quarter compared with immediate preceding quarter.

	Current Quarter	Immediate Preceding Quarter	Changes
	31-Jul-17	30-Apr-17	%
Revenue	4,799	5,162	-7.0%
Operating Profit	1,038	1,146	-9.4%
<i>Profit before interest and tax</i>	990	1,346	-26.4%
Profit before tax	921	1,291	-28.7%
Profit after tax	682	1,099	-37.9%
Profit attributable to Ordinary Equity Holders of the Parent holders of the parent	682	1,099	-37.9%

For the quarter ended 31 July 2017, the Group's recorded lower pretax profit as the revenue dropped by 7% to RM4.8 mil and incurred higher operating expense as compared with immediate preceding quarter.

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Notes to quarterly report for the quarter ended 31 July 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	196	601
Prior Year	43	43
Deferred Taxation	-	-
Tax expense *	239	644

The effective tax rate for financial period ended 31 July 2017 was lower than the statutory tax rate of 24% mainly due to losses incurred by certain subsidiaries and lower tax installment estimate during the quarter under review.

B6. Status of corporate proposals

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

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	1,166	-	1,166
Long term	3,876	-	3,876
Total	5,042	-	5,042

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 July 2017

B9. Proposed Dividends

The Board of Directors proposed a single tier interim dividend of 1.50 sen per ordinary share in respect of financial year ending 31 October 2017. The book closure date and payment date will be on 19 October 2017 and 8 November 2017 respectively.

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)	683	2,830
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	1.87	7.74

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. 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-Jul-17
	RM '000
Realised	38,743
Unrealised	23,376
	62,119
Less: Consolidation Adjustments	-19,867
	42,252

Kumpulan H & L High-Tech Berhad (317805-V)
Notes to quarterly report for the quarter ended 31 July 2017

B13. The profit / (loss) after tax was derived after charging / (crediting) the following:-

		Current Quarter RM'000	Year-To-Date RM'000
(a)	interest income;	(94)	(282)
(b)	other income including investment income;	(7)	(25)
(c)	interest expense;	69	201
(d)	depreciation of property, plant and equipment	300	930
(e)	amortisation of deferred income	(15)	(45)
(f)	amortisation of prepaid land lease payment	8	5
(g)	auditors' remuneration	24	72
(h)	realised (gain)/loss on foreign exchange	65	(128)
(i)	unrealised (gain)/loss on foreign exchange	29	(133)
(j)	rental expenses	11	72
(k)	rental income	8	25
(l)	net fair value (gain)/loss on held for quoted shares	(7)	(73)
(m)	(Gain)/loss on disposal of property, plant and equipment	7	6
(n)	Amortisation of Biological Assets	57	170
(o)	(Gain)/loss on disposal of quoted investment	0	0

BY ORDER OF THE BOARD

Yap Sit Lee
Company Secretary

Kuala Lumpur