

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 APRIL 2018 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 6 MONTHS ENDED	
		30-Apr-18 RM' 000	30-Apr-17 RM' 000	30-Apr-18 RM' 000	30-Apr-17 RM' 000
Revenue	B1	5,739	5,162	11,897	10,556
Operating Expenses		(4,865)	(4,015)	(9,595)	(8,672)
Other Income		(9)	192	96	782
Gain on derivative financial instrument		-	-	-	-
Investing Income		9	7	29	18
Finance costs		(43)	(55)	(104)	(132)
Profit before tax	B2	831	1,291	2,323	2,552
Tax expense	B5	(132)	(192)	(608)	(405)
Profit after tax		699	1,099	1,715	2,147
Other Comprehensive Income:					
Exchange translation reserve		-	-	-	-
Fair value reserve		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		699	1,099	1,715	2,147
Profit/(Loss) attributable to:					
Equity holders of the Company		699	1,099	1,715	2,147
Non-Controlling Interest		-	-	-	-
		699	1,099	1,715	2,147
Total comprehensive income attributable to:					
Equity holders of the Company		699	1,099	1,715	2,147
Non-Controlling Interest		-	-	-	-
		699	1,099	1,715	2,147
Earnings per share attributable to equity holders of the Company:	B14				
-Basic EPS (sen)		1.91	3.00	4.69	5.87
-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 30 APRIL 2018 (UNAUDITED)

	AS AT 30-Apr-18 (Unaudited) RM' 000	AS AT 31-Oct-17 (Audited) RM' 000	Different RM' 000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	16,046	16,176	(130)
Investment Properties	55,080	55,016	64
Land Held for Development	-	294	(294)
Biological assets	5,088	4,959	129
Prepaid Lease Payments	1,780	1,796	(16)
Other investment	165	165	-
	78,159	78,406	(247)
CURRENT ASSETS			
Property Development Costs	645	510	135
Inventories	4,128	4,020	108
Derivative financial assets	-	9	(9)
Trade Receivables	3,704	3,453	251
Other Receivables, Deposit & Prepayments	374	326	48
Other Investments	394	462	(68)
Tax Recoverable	116	39	77
Cash & Cash Equivalents	15,889	16,000	(111)
	25,250	24,819	431
TOTAL ASSETS	103,409	103,225	184
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	45,428	44,993	435
TOTAL EQUITY	90,527	90,092	435
NON-CURRENT LIABILITIES			
Long Term Borrowings	2,951	3,535	(584)
Deferred Income	30	60	(30)
Deferred Tax	4,258	4,258	-
	7,239	7,853	(614)
CURRENT LIABILITIES			
Short Term Borrowings	1,210	1,212	(2)
Trade Payables	1,061	602	459
Other Payables, Deposits & Accruals	2,802	3,023	(221)
Government Grants	60	60	-
Derivative financial liabilities	-	-	-
Provision For Taxation	510	383	127
	5,643	5,280	363
TOTAL EQUITY AND LIABILITIES	103,409	103,225	184
NET ASSETS PER SHARE(RM)	2.4750	2.4631	0.0119

(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 30 APRIL 2018 (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)	(RM '000)	
6 months ended								
30 April 2018								
Balance at 01 November 2017	40,612	8,041	0	-3,554	44,993	90,092	0	
<i>Total comprehensive income:-</i>								
Profit for the year					1,715	1,715	0	
Revaluation Reserve		0				0		
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	-1,280	-1,280	0	
Balance as 30 April 2018	40,612	8,041	0	-3,554	45,428	90,527	0	
6 months ended								
30 April 2017								
Balance at 01 November 2016	40,612	6,003	0	-3,554	40,703	83,764	0	
<i>Total comprehensive income:-</i>								
Profit/(Loss) for the year	0	0	0	0	2,146	2,146	0	
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	-1,280	-1,280	0	
Balance at 30 April 2017	40,612	6,003	0	-3,554	41,559	84,630	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 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 30 APRIL 2018 (UNAUDITED)

	2018 6 MONTHS ENDED 30-Apr-2018 (RM'000) (Unaudited)	2017 6 MONTHS ENDED 30-Apr-2017 (RM'000) (Unaudited)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	2,323	2,553
ADJUSTMENTS:-		
NON CASH ITEMS	712	705
NON OPERATING ITEMS (INVESTING/FINANCING)	(72)	(141)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,963	3,117
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(108)	(561)
RECEIVABLES	(299)	160
PROPERTY DEVELOPMENT COST	159	183
PAYABLES	122	(280)
CASH GENERATED FROM OPERATIONS	2,837	2,619
TAX REFUND	-	-
TAX PAID	(441)	(494)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,396	2,125
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(242)	(134)
INTEREST RECEIVED	215	188
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(474)	(114)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	-	1
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	29	18
OTHER INVESTMENT	-	-
PURCHASE OF INVESTMENT PROPERTY	(64)	(1,200)
NET CASH USED IN INVESTING ACTIVITIES	(536)	(1,241)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(587)	(560)
INTEREST PAID	(104)	(132)
DIVIDEND PAID	(1,280)	(1,280)
NET CASH USED IN FINANCING ACTIVITIES	(1,971)	(1,972)
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	(111)	(1,088)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,000	15,242
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,889	14,154

(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 30 April 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 30 April 2018 and 31 October 2017, 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 30 April 2018

As At	30-Apr-18 (Unaudited) RM'000	31-Oct-17 (Audited) RM'000
Total borrowings	4,161	4,747
Total equity	90,227	90,092
Total capital	94,388	94,839
Gearing Ratio	4.6%	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 2018. 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, final single-tier dividend of 2 sen per ordinary share for financial year ended 31 October 2017 has been paid in April 2018.

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 2018	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customer	8,343	1,133	1,492	1,033	12,001
Intersegment revenue	632	11	-	-	643
Reportable segment profit / (loss)	698	808	1,114	(314)	2,306

Reconciliation of profit or loss

	RM'000
Total profit for reportable segments	2,306
Investment income	29
Gain on disposal of quoted investments	-
Net fair value gain on held for quoted shares	(67)
Interest income	215
Unallocated amounts:-	
Corporate expenses	(153)
Other expenses	(7)
Group's profit before income tax expense	2,323

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Notes to quarterly report for the quarter ended 30 April 2018

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 2018 except as follow:-

	31-Oct-17 (Audited) RM '000	Changes RM '000	30-Apr-18 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	4,747	-586	4,161

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 30 April 2018.

* End of Part A *

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Notes to quarterly report for the quarter ended 30 April 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
	30-Apr-18	30-Apr-18
Revenue		
Manufacturing & Trading	3,752	3,511
Property Investment	566	148
Property Development	1,056	1,021
Plantation	416	482
Profit/(Loss) before tax		
Manufacturing & Trading	14	482
Property Investment	423	46
Property Development	819	821
Plantation	(338)	(81)

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

Manufacturing segment recorded a lower pre-tax profit despite higher turnover by 6.9% mainly because of higher cost of production and lower other income due to unfavorable forex movement.

Property investment segment posted higher revenue by over 2.8 times or RM0.418 million and pre-tax profit increased by RM0.377 million due to low overhead.

Property development segment registered approximate revenue and pre-tax profit despite the number of unsold units has been reduced.

Plantation segment recorded a higher loss of RM0.338 million mainly due to higher operating cost and lower FFB price and lower FFB yield.

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

Pre-tax profit reduced by RM0.662 million to RM0.830 million mainly due to lower turnover by RM0.419 million and higher cost of sales by RM0.099 million, as well as substantial reduction in other income due to unfavorable forex movement.

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Notes to quarterly report for the quarter ended 30 April 2018

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	131	593
Prior Year	-	14
Deferred Taxation	-	-
Tax expense *	131	607

The effective tax rate for financial period ended 30 April 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 30 April 2018.

B7. Group borrowings and debt securities

The group's borrowings as at 30 April 2018 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,210	-	1,210
Long term	2,951	-	2,951
Total	4,161	-	4,161

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.

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Notes to quarterly report for the quarter ended 30 April 2018

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)	699	1,715
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	1.91	4.69

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;	(104)	(215)
(b) other income including investment income;	(9)	(29)
(c) interest expense;	43	104
(d) depreciation of property, plant and equipment	300	604
(e) amortisation of deferred income	(15)	(30)
(f) amortisation of prepaid land lease payment	9	17
(g) auditors' remuneration	24	48
(h) realised (gain)/loss on foreign exchange	113	224
(i) unrealised (gain)/loss on foreign exchange	45	(14)
(j) rental expenses	6	23
(k) rental income	8	16
(l) net fair value (gain)/loss on held for quoted shares	97	67
(m) Amortisation of Biological Assets	56	113
(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	30-Apr-18
	RM'000
Realised	37,168
Unrealised	27,697
	<u>64,865</u>
Less: Consolidated adjustments	(19,737)
Retained earnings	<u>45,128</u>

BY ORDER OF THE BOARD

Yap Sit Lee
Company Secretary

Kuala Lumpur

