

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 OCTOBER 2016 ( UNAUDITED )

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
	31-Oct-16 RM' 000	31-Oct-15 RM' 000	31-Oct-16 RM' 000	31-Oct-15 RM' 000
<b>Revenue</b>	<b>5,065</b>	<b>5,432</b>	<b>19,367</b>	<b>21,505</b>
Operating Expenses	(4,182)	(4,646)	(18,154)	(18,931)
Other Income	2,555	5,099	3,457	6,246
Gain on derivative financial instrument	-	-	-	-
Investing Income	6	14	25	27
Finance costs	(62)	(74)	(312)	(361)
<b>Profit before tax</b>	<b>3,382</b>	<b>5,825</b>	<b>4,383</b>	<b>8,486</b>
Tax expense	(412)	(531)	(964)	(1,515)
<b>Profit after tax</b>	<b>2,970</b>	<b>5,294</b>	<b>3,419</b>	<b>6,971</b>
<b>Other Comprehensive Income:</b>				
Exchange translation reserve	-	-	-	-
Fair value reserve	217	466	217	466
<b>Other Comprehensive Income net of tax</b>	<b>217</b>	<b>466</b>	<b>217</b>	<b>466</b>
<b>Total Comprehensive Income</b>	<b>3,187</b>	<b>5,760</b>	<b>3,636</b>	<b>7,437</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the Company	2,970	5,294	3,419	6,971
Non-Controlling Interest	-	-	-	-
	<b>2,970</b>	<b>5,294</b>	<b>3,419</b>	<b>6,971</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	3,187	5,760	3,636	7,437
Non-Controlling Interest	-	-	-	-
	<b>3,187</b>	<b>5,760</b>	<b>3,636</b>	<b>7,437</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
-Basic EPS (sen)	8.12	14.47	9.35	19.06
-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 2015 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 2016 ( UNAUDITED )**

	AS AT 31-Oct-16 (Unaudited) RM' 000	AS AT 31-Oct-15 (Audited) RM' 000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	14,481	15,220
Investment Properties	49,827	46,410
Land Held for Development	547	740
Biological assets	4,757	4,984
Prepaid Lease Payments	1,830	1,863
Other investment	165	165
	<u>71,607</u>	<u>69,382</u>
<b>CURRENT ASSETS</b>		
Property Development Costs	508	444
Inventories	3,113	3,464
Trade Receivables	3,608	3,945
Other Receivables, Deposit & Prepayments	934	1,343
Other Investments	410	557
Tax Recoverable	-	54
Cash & Cash Equivalents	15,791	16,161
	<u>24,364</u>	<u>25,968</u>
<b>TOTAL ASSETS</b>	<u><b>95,971</b></u>	<u><b>95,350</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share Capital	40,612	40,612
Treasury Share, At Cost	(3,554)	(3,554)
Revaluation Reserves	6,003	5,786
Retained Earnings	40,664	37,977
<b>TOTAL EQUITY</b>	<u><b>83,725</b></u>	<u><b>80,821</b></u>
<b>NON-CURRENT LIABILITIES</b>		
Long Term Borrowings	4,755	5,881
Deferred Income	120	180
Deferred Tax	3,321	3,326
	<u>8,196</u>	<u>9,387</u>
<b>CURRENT LIABILITIES</b>		
Short Term Borrowings	1,125	1,071
Trade Payables	352	735
Other Payables, Deposits & Accruals	2,461	2,529
Provision For Taxation	112	807
	<u>4,050</u>	<u>5,142</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>95,971</b></u>	<u><b>95,350</b></u>
<b>NET ASSETS PER SHARE( RM)</b>	2.2890	2.2096

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2015 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 2016 ( UNAUDITED )**

	Attributable to Equity Holders of the Company						Minority interest	Total Equity	
	Share Capital	Revaluation Reserve	Non distributable Reserve	Exchange translation reserve	Treasury Share	Distributable Retained Earnings			Total
	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	
<b>12 months ended</b>									
<b>31 October 2016</b>									
Balance at 01 November 2015	40,612	5,786	0	0	-3,554	37,977	80,821	0	80,821
<i>Total comprehensive income:-</i>									
Profit for the year						3,418	3,418	0	3,418
Revaluation Reserve		217					217		217
Transaction with owner:-									
Dividend paid	0	0	0	0	0	-732	-732	0	-732
<b>Balance as 31 October 2016</b>	<b>40,612</b>	<b>6,003</b>	<b>0</b>	<b>0</b>	<b>-3,554</b>	<b>40,664</b>	<b>83,725</b>	<b>0</b>	<b>83,725</b>
<b>12 months ended</b>									
<b>31 October 2015</b>									
Balance at 01 November 2014	40,612	5,396	0	0	-3,554	32,834	75,288	0	75,288
<i>Total comprehensive income:-</i>									
Profit/(Loss) for the year	0	0	0	0	0	1,777	1,777	0	1,777
Transaction with owner:-									
Dividend paid	0	0	0	0	0	-1,280	-1,280	0	-1,280
<b>Balance at 31 October 2015</b>	<b>40,612</b>	<b>5,396</b>	<b>0</b>	<b>0</b>	<b>-3,554</b>	<b>33,331</b>	<b>75,785</b>	<b>0</b>	<b>75,785</b>

(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 2015 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 2016 ( UNAUDITED )**

	<b>2016</b> <b>12 MONTHS</b> <b>ENDED</b> <b>31-Oct-2016</b> <b>(RM'000 )</b>	<b>2015</b> <b>12 MONTHS</b> <b>ENDED</b> <b>31-Oct-2015</b> <b>(RM'000 )</b>
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
<b>PROFIT BEFORE TAXATION</b>	<b>4,382</b>	<b>8,486</b>
<b>ADJUSTMENTS:-</b>		
<b>NON CASH ITEMS</b>	(259)	(2,928)
<b>NON OPERATING ITEMS (INVESTING/FINANCING)</b>	(130)	(18)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,993</b>	<b>5,540</b>
<b><u>CHANGES IN WORKING CAPITAL</u></b>		
<b>INVENTORIES</b>	351	(239)
<b>RECEIVABLES</b>	786	(368)
<b>PROPERTY DEVELOPMENT COST</b>	128	553
<b>PAYABLES</b>	56	(175)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>5,314</b>	<b>5,311</b>
<b>TAX REFUND</b>	-	76
<b>TAX PAID</b>	(1,605)	(937)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>3,709</b>	<b>4,450</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
<b>ACQUISITION OF BIOLOGICAL ASSET</b>	-	(595)
<b>INTEREST RECEIVED</b>	410	379
<b>PURCHASE OF PROPERTY, PLANT AND EQUIPMENT</b>	(739)	(1,049)
<b>PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES</b>	-	6
<b>DIVIDEND RECEIVED FROM QUOTED INVESTMENT</b>	25	27
<b>PROCEED FROM DISPOSAL FOR HELD FOR TRADING INVESTMENT SECURITIES</b>	-	698
<b>PURCHASE OF QUOTED SHARES</b>	-	(502)
<b>PROCEED FROM GOVERNMENT GRANT</b>	-	299
<b>OTHER INVESTMENT</b>	155	-
<b>PURCHASE OF INVESTMENT PROPERTY</b>	(1,267)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,416)</b>	<b>(737)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
<b>REPAYMENT OF BANK BORROWING</b>	(1,071)	(1,023)
<b>INTEREST PAID</b>	(312)	(361)
<b>DIVIDEND PAID</b>	(1,280)	(1,280)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,663)</b>	<b>(2,664)</b>
<b>CURRENCY TRANSLATION DIFFERENCE</b>	-	170
<b>NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS</b>	<b>(370)</b>	<b>1,219</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>16,161</b>	<b>14,942</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>15,791</b>	<b>16,161</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the financial year ended 31 October 2015 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 2016 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 2015. 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 2015.

**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 2016 and 31 October 2015, 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 October 2016

As At	31-Oct-16	31-Oct-15 (Audited)
	RM'000	RM'000
Total borrowings	5,880	6,951
Total equity	83,725	80,896
Total capital	89,605	87,847
Gearing Ratio	7.0%	8.6%

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 April 2016. 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 2016	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	14,824	2,059	1,426	1,225	19,534
Intersegment revenue	-	-	-	-	-
Reportable segment profit / (loss)	592	1,223	824	(609)	2,030

**Reconciliation of profit or loss**

	RM '000
Total profit for reportable segments	2,030
Investment income	25
Gain on disposal of quoted investments	9
Net fair value gain / (loss) on held for quoted shares	(2)
Fair value adjustment on investment properties	2,150
Interest income	410
Unallocated amounts:-	
Corporate expenses	(239)
<b>Group's profit before income tax expense</b>	<b>4,383</b>

**Kumpulan H & L High-Tech Berhad (317805-V)**  
Notes to quarterly report for the quarter ended 31 October 2016

**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 2016 except as follow:-

	31-Oct-15 (Audited) RM '000	Changes RM '000	31-Oct-16 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	6,951	-1,071	5,880

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 2016.

Authorised and contracted for	RM 1.2 million
Authorised but not contracted for	RM NIL

\* End of Part A \*

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

Notes to quarterly report for the quarter ended 31 October 2016

**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 31-Oct-16	Preceding year corresponding quarter 31-Oct-15	Current year 31-Oct-16	Preceding year corresponding period 31-Oct-15
<b>Revenue</b>				
Manufacturing & Trading	3,697	4,336	14,824	17,255
Property Investment	350	501	2,059	2,005
Property Development	288	669	1,426	2,182
Plantation	593	92	1,225	229
<b>Profit/(Loss) before tax</b>				
Manufacturing & Trading	852	764	592	2,414
Property Investment	135	335	1,223	1,170
Property Development	150	432	824	940
Plantation	79	(210)	(609)	(597)

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

Turnover for Manufacturing & Trading segment lowered due to more challenging economy environment for manufacturer.

Property investment segment recorded lower pretax profit mainly higher pretax profit accrued in earlier quarter.

Property development segment recorded lower turnover as well as pretax profit compared to preceding year corresponding quarter as the sale for Phase 2 project has been slower than expected.

Plantation segment turnaround with a small 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 2016, the group's revenue increased by 8.3% when compared to immediate preceding quarter ended 31 July 2016, mainly contributed by improvement in Manufacturing and Plantation segments.

Pretax profit was RM3.382 million as compared immediate preceding quarter's pretax profit of RM0.492 million. The significant improvements were due to fair value gain on investment properties amounted RM2.15 million as well as improvement in Manufacturing and Plantation segment.



**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	520	1,072
Prior Year	(20)	(20)
Deferred Taxation	(88)	(88)
Tax expense *	412	964

The effective tax rate for financial year ended 31 October 2016 was lower than the statutory tax rate of 25% 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 2016.

**B7. Group borrowings and debt securities**

The group's borrowings as at 31 October 2016 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,125	-	1,125
Long term	4,755	-	4,755
Total	5,880	-	5,880

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**

The Board of Directors proposed an interim dividend of 1.5 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2016, the book closure date and payment date shall be 18 January 2017 and 10 February 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)	2,970	3,419
Weighted average number of ordinary shares ( '000)	36,577	36,577
Basic earning/(loss) per share (sen)	8.12	9.35

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 2015 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;	-91	-410
(b) other income including investment income;	-6	-25
(c) interest expense;	62	312
(d) depreciation of property, plant and equipment	345	1,478
(e) amortisation of prepaid land lease payment	8	33
(f) amortisation of biological assets	57	227
(g) auditors' remuneration	27	96
(h) realised (gain)/loss on foreign exchange	-64	-133
(i) unrealised (gain)/loss on foreign exchange	-55	144
(j) rental expenses	35	75
(k) rental income	-42	-167
(l) net fair value (gain)/loss on held for quoted shares	-2	2
(m) (Gain)/loss on disposal of property, plant and equipment	0	0
(n) Amortisation of deferred income	0	0
(o) (Gain)/loss on disposal of quoted investment	0	-9
(p) Fair value gain on investment properties	-2,150	-2,150

**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-16	RM '000
Realised		46,156
Unrealised		14,026
		<u>60,182</u>
Less: Consolidation Adjustments		-19,518
<b>Retained Earnings</b>		<u><b>40,664</b></u>

BY ORDER OF THE BOARD

Yap Sit Lee  
Company Secretary

Kuala Lumpur

