

**KUMPULAN H & L HIGH-TECH BERHAD (317805-V)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 APRIL 2017 ( UNAUDITED )**

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
	30-Apr-17 RM' 000	30-Apr-16 RM' 000	30-Apr-17 RM' 000	30-Apr-16 RM' 000
<b>Revenue</b>	5,162	4,294	10,556	9,625
Operating Expenses	(4,015)	(4,271)	(8,672)	(9,386)
Other Income	192	158	782	420
Gain on derivative financial instrument	-	-	-	-
Investing Income	7	6	18	12
Finance costs	(55)	(66)	(132)	(162)
<b>Profit before tax</b>	<b>1,291</b>	<b>121</b>	<b>2,552</b>	<b>509</b>
Tax expense	(192)	(151)	(405)	(302)
<b>Profit/(Loss) after tax</b>	<b>1,099</b>	<b>(30)</b>	<b>2,147</b>	<b>207</b>
<b>Other Comprehensive Income:</b>				
Exchange translation reserve	-	-	-	-
Fair value reserve	-	-	-	-
<b>Other Comprehensive Income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss)</b>	<b>1,099</b>	<b>(30)</b>	<b>2,147</b>	<b>207</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the Company	1,099	(30)	2,147	207
Non-Controlling Interest	-	-	-	-
	<b>1,099</b>	<b>(30)</b>	<b>2,147</b>	<b>207</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	1,099	(30)	2,147	207
Non-Controlling Interest	-	-	-	-
	<b>1,099</b>	<b>(30)</b>	<b>2,147</b>	<b>207</b>
<b>Earnings per share attributable to equity holders of the Company:</b>				
-Basic EPS (sen)	3.00	(0.08)	5.87	0.57
-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 30 APRIL 2017 ( UNAUDITED )**

	AS AT 30-Apr-17 (Unaudited) RM' 000	AS AT 31-Oct-16 (Audited) RM' 000	Different RM' 000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	13,965	14,481	(516)
Investment Properties	51,027	49,826	1,201
Land Held for Development	-	547	(547)
Biological assets	4,778	4,757	21
Prepaid Lease Payments	1,813	1,830	(17)
Other investment	165	165	-
	<u>71,748</u>	<u>71,606</u>	<u>142</u>
<b>CURRENT ASSETS</b>			
Property Development Costs	872	508	364
Inventories	3,673	3,113	560
Derivative financial assets	-	1	(1)
Trade Receivables	3,670	3,643	27
Other Receivables, Deposit & Prepayments	1,354	1,541	(187)
Other Investments	476	410	66
Tax Recoverable	50	36	14
Cash & Cash Equivalents	14,154	15,242	(1,088)
	<u>24,249</u>	<u>24,494</u>	<u>(245)</u>
<b>TOTAL ASSETS</b>	<u><b>95,997</b></u>	<u><b>96,100</b></u>	<u><b>(103)</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	6,003	-
Retained Earnings	41,569	40,703	866
<b>TOTAL EQUITY</b>	<u><b>84,630</b></u>	<u><b>83,764</b></u>	<u><b>866</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	4,167	4,714	(547)
Deferred Income	90	120	(30)
Deferred Tax	3,318	3,318	-
	<u>7,575</u>	<u>8,152</u>	<u>(577)</u>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	1,153	1,166	(13)
Trade Payables	725	336	389
Other Payables, Deposits & Accruals	1,828	2,447	(619)
Government Grants	60	60	-
Derivative financial liabilities	-	25	(25)
Provision For Taxation	26	150	(124)
	<u>3,792</u>	<u>4,184</u>	<u>(392)</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>95,997</b></u>	<u><b>96,100</b></u>	<u><b>(103)</b></u>
<b>NET ASSETS PER SHARE( RM)</b>	<b>2.3138</b>	<b>2.2901</b>	<b>0.0237</b>

(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 30 APRIL 2017 ( UNAUDITED )**

	Attributable to Equity Holders of the Company					Minority Interest	Total Equity
	Share Capital	Revaluation Reserve	Non distributable Reserve	Treasury Share	Retained Earnings		
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
<b>6 months ended 30 April 2017</b>							
Balance at 01 November 2016	40,612	6,003	0	(3,554)	40,703	83,764	0
Total comprehensive income:-							
Profit for the year							
Revaluation Reserve		0			2,146	2,146	0
Transaction with owner:-							
Dividend paid	0	0	0	0	(1,280)	(1,280)	0
Balance as 30 April 2017	40,612	6,003	0	(3,554)	41,569	84,630	0
<b>6 months ended 30 April 2016</b>							
Balance at 01 November 2015	40,612	5,786	0	(3,554)	37,977	80,821	0
Total comprehensive income:-							
Profit/(Loss) for the year	0	0	0	0	207	207	0
Transaction with owner:-							
Dividend paid	0	0	0	0	0	0	0
Balance at 30 April 2016	40,612	5,786	0	(3,554)	38,184	81,028	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 30 APRIL 2017 ( UNAUDITED )**

	2017 6 MONTHS ENDED 30-Apr-2017 (RM'000 ) (Unaudited)	2016 6 MONTHS ENDED 30-Apr-2016 (RM'000 ) (Unaudited)
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
PROFIT BEFORE TAXATION	2,553	509
ADJUSTMENTS:-		
NON CASH ITEMS	705	845
NON OPERATING ITEMS (INVESTING/FINANCING)	(141)	(88)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,117</b>	<b>1,266</b>
<b><u>CHANGES IN WORKING CAPITAL</u></b>		
INVENTORIES	(561)	(51)
RECEIVABLES	160	955
PROPERTY DEVELOPMENT COST	183	65
PAYABLES	(280)	36
<b>CASH GENERATED FROM OPERATIONS</b>	<b>2,619</b>	<b>2,271</b>
TAX REFUND	-	-
TAX PAID	(494)	(1,082)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,125</b>	<b>1,189</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
ACQUISITION OF BIOLOGICAL ASSET	(134)	-
INTEREST RECEIVED	188	220
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(114)	(181)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	1	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	18	12
PURCHASE OF INVESTMENT PROPERTY	(1,200)	155
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,241)</b>	<b>206</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
REPAYMENT OF BANK BORROWING	(560)	(530)
INTEREST PAID	(132)	(162)
DIVIDEND PAID	(1,280)	(549)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,972)</b>	<b>(1,241)</b>
<b>CURRENCY TRANSLATION DIFFERENCE</b>	<b>-</b>	<b>-</b>
<b>NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS</b>	<b>(1,088)</b>	<b>154</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,242	16,161
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>14,154</b>	<b>16,315</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 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 30 April 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 30 April 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 30 April 2017 and 31 October 2016, 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 30 April 2017

As At	30-Apr-17	31-Oct-16 (Audited)
	RM'000	RM'000
Total borrowings	5,320	5,880
Total equity	84,630	83,763
Total capital	89,950	89,643
Gearing Ratio	6.3%	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**

During the quarter under review, the following dividends had been paid:-

Interim dividend in respect of the financial year ended 31 October 2016 of 1.5 sen per share of RM1.00 for a total ordinary share of 36,576,525 amounted to RM 0.549 million, and

Final dividend in respect of the financial year ended 31 October 2016 of 2.0 sen per share of RM1.00 for a total ordinary share of 36,576,525 amounted to RM 0.731 million.

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

Notes to quarterly report for the quarter ended 30 April 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 30 April 2017	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	6,989	631	1,974	1,065	10,659
Intersegment revenue	-	-	-	-	-
Reportable segment profit / (loss)	517	312	1,580	8	2,417

**Reconciliation of profit or loss**

	RM '000
Total profit for reportable segments	2,417
Investment income	18
Gain on disposal of quoted investments	-
Net fair value gain on held for quoted shares	66
Interest income	188
Unallocated amounts:-	
Corporate expenses	(137)
<b>Group's profit before income tax expense</b>	<b>2,552</b>

**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 2017 except as follow:-

	31-Oct-16 (Audited) RM '000	Changes RM '000	30-Apr-17 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	5,880	-560	5,320

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 30 April 2017

**A11. Capital Commitment**

Save for the following, there was no capital commitments not provided for in the financial statement as at 30 April 2017.

Authorised and contracted for	RM 0.1 million
Authorised and 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 30 April 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
	30-Apr-17	30-Apr-16	30-Apr-17	30-Apr-16
<b>Revenue</b>				
Manufacturing & Trading	3,511	3,328	6,989	7,677
Property Investment	148	622	631	1,124
Property Development	1,021	312	1,974	745
Plantation	482	195	1,065	282
<b>Profit/(Loss) before tax</b>				
Manufacturing & Trading	482	(284)	518	(154)
Property Investment	46	438	312	719
Property Development	821	205	1,580	427
Plantation	(81)	(322)	8	(623)

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

The Manufacturing segments recorded turnaround from pretax loss of RM0.284 million to a pretax profit of RM0.482 mainly due to improved gross profit margin and improvement of opex-to-revenue ratio.

The Property Investment segment's pretax profit decreased sharply from RM0.438 million to RM0.046 million mainly due to lower turnover as a key tenant has moved out in January 2017.

The Property Development segment recorded higher pretax profit due to increased in revenue from collection of sales proceeds.

The Plantation segment suffered lower pretax loss with higher revenue due to more palm trees reached the harvesting stage.

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

For the quarter ended 30 April 2017, the Group's recorded marginally higher pretax profit of RM1.291 million as compare to RM1.261 million registered in the immediate preceding quarter, mainly due to improved gross profit margin despite the turnover reduced by RM0.335 million in property investment segment.

**Kumpulan H & L High-Tech Berhad (317805-V)**  
Notes to quarterly report for the quarter ended 30 April 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	192	405
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	192	405

The effective tax rate for financial period ended 30 April 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 30 April 2017.

**B7. Group borrowings and debt securities**

The group's borrowings as at 30 April 2017 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,153	-	1,153
Long term	4,167	-	4,167
Total	5,320	-	5,320

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 30 April 2017

**B9. Proposed Dividends**

There were no proposed dividends for the quarter 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)	1,099	2,147
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	3.00	5.87

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	30-Apr-17
	RM '000
Realised	37,908
Unrealised	23,398
	<u>61,306</u>
Less: Consolidated adjustments	<u>-19,737</u>
<b>Retained earnings</b>	<u><u>41,569</u></u>

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

Notes to quarterly report for the quarter ended 30 April 2017

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

		RM'000	RM'000
(a)	interest income;	-92	-188
(b)	other income including investment income;	-7	-18
(c)	interest expense;	55	132
(d)	depreciation of property, plant and equipment	308	630
(e)	amortisation of prepaid land lease payment	9	17
(f)	auditors' remuneration	24	48
(g)	realised (gain)/loss on foreign exchange	21	-193
(h)	unrealised (gain)/loss on foreign exchange	-40	-162
(i)	rental expenses	20	61
(j)	rental income	0	17
(k)	net fair value (gain)/loss on held for quoted shares	-18	-66
(l)	(Gain)/loss on disposal of property, plant and equipment	-1	-1
(m)	Amortisation of Biological Assets	56	113
(n)	(Gain)/loss on disposal of quoted investment	0	0

BY ORDER OF THE BOARD

Yap Sit Lee  
Company Secretary

Kuala Lumpur