

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 APRIL 2016 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
		30-Apr-16 RM' 000	30-Apr-15 RM' 000	30-Apr-16 RM' 000	30-Apr-15 RM' 000
Revenue	B1	4,294	5,004	9,625	11,281
Operating Expenses		(4,271)	(5,493)	(9,386)	(9,773)
Other Income		158	327	420	679
Gain on derivative financial instrument		-	-	-	-
Investing Income		6	4	12	9
Finance costs		(66)	(76)	(162)	(185)
Profit/(Loss) before tax	B2	121	(234)	509	2,011
Tax expense	B5	(151)	(87)	(302)	(720)
Profit after tax		(30)	(321)	207	1,291
Other Comprehensive Income:					
Exchange translation reserve		-	-	-	-
Fair value reserve		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income		(30)	(321)	207	1,291
Profit/(Loss) attributable to:					
Equity holders of the Company		(30)	(321)	207	1,291
Non-Controlling Interest		-	-	-	-
		(30)	(321)	207	1,291
Total comprehensive income attributable to:					
Equity holders of the Company		(30)	(321)	207	1,291
Non-Controlling Interest		-	-	-	-
		(30)	(321)	207	1,291
Earnings per share attributable to equity holders of the Company:	B14				
-Basic EPS (sen)		(0.08)	(0.88)	0.57	3.53
-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 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 30 APRIL 2016 (UNAUDITED)

	AS AT 30-Apr-16 (Unaudited) RM' 000	AS AT 31-Oct-15 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	14,648	15,220
Investment Properties	46,410	46,410
Land Held for Development	740	740
Biological assets	4,871	4,984
Prepaid Lease Payments	1,855	1,863
Other investment	165	165
	<u>68,689</u>	<u>69,382</u>
CURRENT ASSETS		
Property Development Costs	379	444
Inventories	3,515	3,464
Trade Receivables	3,247	3,945
Other Receivables, Deposit & Prepayments	1,127	1,343
Other Investments	420	557
Tax Recoverable	-	54
Cash & Cash Equivalents	16,315	16,161
	<u>25,003</u>	<u>25,968</u>
TOTAL ASSETS	<u>93,692</u>	<u>95,350</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	5,786	5,786
Retained Earnings	38,184	37,977
TOTAL EQUITY	<u>81,028</u>	<u>80,821</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	5,323	5,881
Deferred Income	150	180
Deferred Tax	3,326	3,326
	<u>8,799</u>	<u>9,387</u>
CURRENT LIABILITIES		
Short Term Borrowings	1,098	1,071
Trade Payables	778	735
Other Payables, Deposits & Accruals	2,016	2,529
Provision For Taxation	(27)	807
	<u>3,865</u>	<u>5,142</u>
TOTAL EQUITY AND LIABILITIES	<u>93,692</u>	<u>95,350</u>
NET ASSETS PER SHARE(RM)	2.2153	2.2096

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2014 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 2016 (UNAUDITED)

	Attributable to Equity Holders of the Company						Minority Interest	Total Equity
	Share Capital	Revaluation Reserve	Exchange translation reserve	Treasury Share	Distributable Earnings	Retained Earnings		
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
6 months ended								
30 April 2016								
Balance at 01 November 2015	40,612	5,786	0	(3,554)	37,977	80,821	0	80,821
Total comprehensive income:-								
Profit for the year	0	0	0	0	207	207	0	207
Transaction with owner:-								
Dividend paid	0	0	0	0	0	0	0	0
Balance as 30 April 2016	40,612	5,786	0	(3,554)	38,184	81,028	0	81,028
6 months ended								
30 April 2015								
Balance at 01 November 2014	40,612	5,396	0	(3,554)	32,834	75,288	0	75,288
Total comprehensive income:-								
Profit/(Loss) for the year	0	0	0	0	1,291	1,291	0	1,291
Transaction with owner:-								
Dividend paid	0	0	0	0	(549)	(549)	0	(549)
Balance at 30 April 2015	40,612	5,396	0	(3,554)	33,576	76,030	0	76,030

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the 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 30 APRIL 2016 (UNAUDITED)

	2016 6 MONTHS ENDED 30-Apr-2016 (RM'000)	2015 6 MONTHS ENDED 30-Apr-2015 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	509	2,011
ADJUSTMENTS:-		
NON CASH ITEMS	845	865
NON OPERATING ITEMS (INVESTING/FINANCING)	(88)	(82)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,266	2,794
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(51)	210
RECEIVABLES	955	(1,346)
PROPERTY DEVELOPMENT COST	65	376
PAYABLES	36	370
CASH GENERATED FROM OPERATIONS	2,271	2,404
TAX REFUND	-	108
TAX PAID	(1,082)	(380)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,189	2,132
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	-	(475)
INTEREST RECEIVED	220	199
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(181)	(415)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	-	126
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	12	9
PROCEED FROM DISPOSAL FOR HELD FOR TRADING INVESTMENT SECURITIES	-	203
NET CASH USED IN INVESTING ACTIVITIES	206	(353)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(530)	(507)
INTEREST PAID	(162)	(185)
DIVIDEND PAID	(549)	(549)
NET CASH USED IN FINANCING ACTIVITIES	(1,241)	(1,241)
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	154	538
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,161	14,942
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,315	15,480

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2015 and the accompanying explanatory notes attached to the interim financial statement.)

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Notes to quarterly report for the quarter ended 30 April 2016

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 April 2015 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 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 2016 and 31 October 2015, 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 2016

As At	30-Apr-16	31-Oct-15 (Audited)
	RM'000	RM'000
Total borrowings	6,421	6,951
Total equity	81,028	80,896
Total capital	87,449	87,847
Gearing Ratio	7.9%	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.

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Notes to quarterly report for the quarter ended 30 April 2016

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 2016	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	7,677	1,124	745	282	9,828
Intersegment revenue	274	-	-	-	274
Reportable segment profit / (loss)	(154)	719	427	(623)	369

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	369
Investment income	12
Gain on disposal of quoted investments	9
Net fair value gain on held for quoted shares	8
Interest income	220
Unallocated amounts:-	
Corporate expenses	(109)
Group's profit before income tax expense	<u>509</u>

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 2016 except as follow:-

	31-Oct-15 (Audited) RM '000	Changes RM '000	30-Apr-16 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	6,951	-530	6,421

Contingent liabilities for corporate guarantee given by the Company to financial institutions for credit facilities granted to subsidiary companies

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Notes to quarterly report for the quarter ended 30 April 2016

A11. Capital Commitment

Save for the following, there was no capital commitments not provided for in the financial statement as at 30 April 2016.

Authorised and contracted for	RM 2.3 million
Authorised and not contracted for	RM NIL

* End of Part A *

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Notes to quarterly report for the quarter ended 30 April 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	Preceding year corresponding quarter	Current year	Preceding year corresponding period
	30-Apr-16	30-Apr-15	30-Apr-16	30-Apr-15
Revenue				
Manufacturing & Trading	3,328	4,391	7,677	8,861
Property Investment	622	502	1,124	1,002
Property Development	312	92	745	1,399
Plantation	195	19	282	19
Profit/(Loss) before tax				
Manufacturing & Trading	(284)	(13)	(154)	1,060
Property Investment	438	289	719	552
Property Development	205	(271)	427	528
Plantation	(322)	(116)	(623)	(162)

For current quarter under review,

The Manufacturing segments incurred a higher pretax loss of RM0.284 million compared to a pretax loss of RM0.013 million recorded in preceding year corresponding quarter. The slid of profit was mainly due to lower revenue and higher operating expenses.

The Property Investment segments recorded higher pretax profit of RM0.438 million during the quarter under review as compared to preceding year corresponding quarter of RM0.289 million mainly due to rental revision and lower operation expenses.

The Property Development segment turnaround with a pretax profit of RM0.205 million with the sales of Phase 2 launched earlier this year.

The Plantation segment incurred higher pretax loss of RM0.322 million as compared to last year corresponding quarter despite having higher turnover as the oil palm trees are still young with low FFB yields.

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

For the quarter ended 30 April 2016, the Group's recorded a lower pretax profit of RM0.122 million as compare to RM0.388 million registered in the immediate preceding quarter, mainly due to lower turnover by RM1.021 million from manufacturing segment.

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

Notes to quarterly report for the quarter ended 30 April 2016

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	159	310
Prior Year	(8)	(8)
Deferred Taxation	-	-
Tax expense *	151	302

The effective tax rate for financial period ended 30 April 2016 was higher than the statutory tax rate of 24% mainly due to 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 2016.

B7. Group borrowings and debt securities

The group's borrowings as at 30 April 2016 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,098	-	1,098
Long term	5,323	-	5,323
Total	6,421	-	6,421

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 2016

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)	(30)	207
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	(0.08)	0.57

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. 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-16
	RM '000
Realised	46,313
Unrealised	11,376
	<u>57,689</u>
Less: Consolidated adjustments	<u>-19,505</u>
Retained earnings	<u><u>38,184</u></u>

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Notes to quarterly report for the quarter ended 30 April 2016

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;	(132)	(220)
(b) other income including investment income;	(6)	(12)
(c) interest expense;	66	162
(d) depreciation of property, plant and equipment	380	754
(e) amortisation of prepaid land lease payment	9	17
(f) auditors' remuneration	23	46
(g) realised (gain)/loss on foreign exchange	6	(73)
(h) unrealised (gain)/loss on foreign exchange	262	328
(i) rental expenses	20	38
(j) rental income	(41)	(83)
(k) net fair value (gain)/loss on held for quoted shares	4	(8)
(l) (Gain)/loss on disposal of property, plant and equipment	0	0
(m) Amortisation of Biological Assets	55	113
(n) (Gain)/loss on disposal of quoted investment	(9)	(9)

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur