

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

PART A1: QUARTERLY REPORT

* Quarterly report for the financial period ended

31-Jan-2011

* Quarter

1st Quarter 2nd Quarter 3rd Quarter 4th Quarter Other

* Financial Year End

31-Oct-11

* The figures

() have been audited (x) have not been audited.

Please attach the full Quarterly Report Here:

Remarks:

PART A2: SUMMARY OF KEY FINANCIAL INFORMATION

Summary of key Financial Information
31-Jan-2011

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Jan-2011 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Jan-2010 RM' 000	CURRENT YEAR TO DATE 31-Jan-2011 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Jan-2010 RM' 000
1	Revenue	6,846	4,971	6,846	4,971
2	Profit/(loss) before tax	607	149	607	149
3	Net Profit/(loss) for the period	554	105	554	105
4	Profit/(loss) after tax and minority interest	568	115	568	115
5	Basic earnings/(loss) per share (sen)	1.51	0.31	1.51	0.31
6	Proposed/Declared Dividend per share - cash (sen)	-	-	-	-
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to Ordinary equity holders of the parent (RM)	1.3733		1.3586	

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2011 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 3 MONTHS ENDED	
		31-Jan-2011 RM' 000	31-Jan-2010 RM' 000	31-Jan-2011 RM' 000	31-Jan-2010 RM' 000
Revenue	B1	6,846	4,971	6,846	4,971
Operating Expenses		(6,521)	(4,976)	(6,521)	(4,976)
Other Income		334	185	334	185
Gain on derivative financial instrument		-	-	-	-
Investing Income		4	3	4	3
Finance costs		(56)	(34)	(56)	(34)
Profit before tax	B2	607	149	607	149
Tax expense	B5	(53)	(44)	(53)	(44)
Profit after tax for the period		554	105	554	105
Other Comprehensive Income:					
Exchange translation reserve		(1)	48	(1)	48
Other Comprehensive Income net of tax		(1)	48	(1)	48
Total Comprehensive Income for the period		553	153	553	153
Profit attributable to:					
Equity holders of the Company		568	115	568	115
Non-Controlling Interest		(14)	(10)	(14)	(10)
		554	105	554	105
Total comprehensive income attributable to:					
Equity holders of the Company		553	163	553	163
Non-Controlling Interest		-	(10)	-	(10)
		553	153	553	153
Earnings per share attributable to equity holders of the Company:					
-Basic EPS (sen)	B14	1.51	0.31	1.51	0.31
-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 2010 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 JANUARY 2011 (UNAUDITED)

		AS AT CURRENT FINANCIAL QUARTER ENDED 31-Jan-11 (Unaudited) RM' 000	AS AT 31-Oct-10 (Audited) RM' 000
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	A1	15,724	15,453
Investment Properties		14,404	14,448
Land Held for Development		2,909	2,909
Prepaid Lease Payments		1,981	1,987
Other investment		187	187
		<u>35,205</u>	<u>34,984</u>
CURRENT ASSETS			
Inventories		5,622	4,862
Trade Receivables		5,577	5,362
Other Receivables, Deposit & Prepayments		533	885
Held for Trading Investments		1,390	838
Tax Recoverable		38	80
Cash & Cash Equivalent		16,262	16,546
		<u>29,422</u>	<u>28,573</u>
TOTAL ASSETS		<u>64,627</u>	<u>63,557</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share Capital		40,612	40,612
Treasury Share, At Cost		(2,485)	(2,485)
Other Reserves		1,702	1,713
Retained Earnings		11,511	10,943
		<u>51,340</u>	<u>50,783</u>
Non-Controlling interest		361	365
TOTAL EQUITY		<u>51,701</u>	<u>51,148</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	B9	5,178	5,099
Deferred Income		37	42
Deferred Tax		1,373	1,373
		<u>6,588</u>	<u>6,514</u>
CURRENT LIABILITIES			
Short Term Borrowings	B9	570	765
Trade Payables		2,209	1,461
Other Payables, Deposits & Accruals		3,512	3,564
Deferred Income		21	21
Provision For Taxation		26	84
		<u>6,338</u>	<u>5,895</u>
TOTAL EQUITY AND LIABILITIES		<u>64,627</u>	<u>63,557</u>
NET ASSETS PER SHARE(RM)		1.3733	1.3586

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2010 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 JANUARY 2011 (UNAUDITED)

	Attributable to Equity Holders of the Company									Minority Interest	Total Equity
	Non distributable						Distributable				
	Share Capital	Share Premium	Revaluation Reserve	Exchange translation reserve	Fair value reserve	Hedge reserve	Retained Earnings	Treasury Share	Total		
(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	
3 months ended											
31-January-2011											
01 November 2010	40,612	-	1,535	178	-	-	10,943	(2,485)	50,783	365	51,148
Total comprehensive income for the financial year	-	-	(1)	(10)	-	-	568	-	557	(4)	553
31 January 2011	40,612	-	1,534	168	-	-	11,511	(2,485)	51,340	361	51,701
3 months ended											
31-January-2010											
01 November 2009	40,612	-	1,544	129	-	-	9,615	(2,485)	49,415	583	49,998
Profit for the financial year	-	-	-	-	-	-	115	-	115	(10)	105
Currency translation differences	-	-	(6)	40	-	-	-	-	34	14	48
31 January 2010	40,612	-	1,538	169	-	-	9,730	(2,485)	49,564	587	50,151

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2010 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 JANUARY 2011 (UNAUDITED)

	2011 3 MONTHS ENDED 31-Jan-2011 (RM 000)	2010 3 MONTHS ENDED 31-Oct-2010 (RM 000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	607	149
ADJUSTMENTS:-		
NON CASH ITEMS	862	732
NON OPERATING ITEMS (INVESTING/FINANCING)	(28)	(34)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,441	847
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(760)	441
RECEIVABLES	(30)	(213)
PAYABLES	697	424
CASH GENERATED FROM OPERATIONS	1,348	1,499
INTEREST PAID	(56)	(34)
INTEREST RECEIVED	80	66
TAX REFUNDED/(PAID), NET	(16)	(74)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,356	1,457
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
EQUITY INVESTMENT	4	3
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(921)	(504)
OTHER INVESTMENT	(552)	-
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(1,469)	(501)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BORROWINGS	(117)	(196)
NET CASH USED IN FINANCING ACTIVITIES	(117)	(196)
CURRENCY TRANSLATION DIFFERENCE	(54)	48
NET INCREASE IN CASH AND CASH EQUIVALENTS	(284)	808
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,546	12,206
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,262	13,014

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2010 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 FRS 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 January 2011 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 2010. 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 2010, except for the followings:

- (i) New and Revised FRSs, IC Interpretations and Amendments issued but are not yet effective and not adopted early for the Group's current period.

The Group has not adopted the following new and revised FRSs, IC Interpretations and Amendments because they are not yet effective for the financial year ended 31 October 2010:

- (a) FRS 3 (revised), Business Combination.
- (b) FRS 137 (revised), Consolidated and Separate Financial Statements.
- (c) Amendments to FRS 2, FRS 5, FRS 138, FRS 139

The Group will adopt these Standards, if relevant to the Group's operation, beginning on 1 November 2010.

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 for the current quarter ended 31 January 2011.

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.

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. Total equity includes non-controlling interests.

The gearing ratios as at 31 January 2011 and 31 October 2010, which are within the Group's objectives for capital management, are as follows:

As At	31-Jan-11 RM '000	31-Oct-10 RM '000	Changes RM '000
Total liabilities	12,925	12,408	517
Total equity	51,341	50,784	557
Total capital	64,266	63,192	1,074
Gearing Ratio	25.2%	24.4%	0.7%

The increase in the gearing ratio in the current quarter mainly arises from additional term loan drawdown from refinancing of a subsidiary's property and increase in trade payable.

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 2010. 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.

No ordinary shares were repurchased during the quarter under review. Since the inception of the scheme, a total of 2,963,560 ordinary shares (after a share dividend distributed in May 2009) were repurchased from the open market for a total consideration of RM2,484,860 at an average price of RM0.84 per share and held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The share buy-back transactions were wholly financed by internally generated fund.

A6. Dividends paid

There were no dividend paid during the period under review.

A7. Operating segment information

With the adoption of FRS 8, Operating Segments, the Group has only two reportable segments: Manufacturing and trading, property investment and investment holding.

Segment information for the year ended 31 January 2011	Manufacturing & Trading	Property Investment	Total
	<i>RM '000</i>	<i>RM '000</i>	<i>RM '000</i>
Revenue from external customer	6,395	385	6,780
Intersegment revenue	-	-	-
Reportable segment profit / (loss)	318	244	562

Reconciliation of profit or loss	<i>RM '000</i>
Total profit for reportable segments	562
Investment income	4
Interest income	80
Unallocated amounts:-	
Corporate expenses	(39)
Other non-reportable segments	-
Group's profit before income tax expense	<u>607</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 or disposal of subsidiaries 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 January 2011:-

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

	<i>RM '000</i>
Total contingent liabilities	5,747

A11. Capital Commitment

There were no capital commitments not provided for in the financial statement as at 31 January 2011.

**Part B-Explanatory Notes Pursuant to BURSA MALAYSIA SECURITIES BERHAD,
Chapter 9 of the Listing Requirement, Part A of Appendix 9B**

B1. Performance review for the current quarter and financial year-to-date

For the quarter ended 31 January 2011, the group achieved a pretax profit of RM0.607 million compared to pretax profit of RM0.149 million recorded in preceding year's corresponding quarter. The higher profitability was attributed to increase sales by RM1.875 million or 37.7% and improved gross profit margin to 29.1% from 22.8% despite increased operating expenses by 47.1% or RM0.551 million.

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

For the quarter ended 31 January 2011, the group pretax profit when compared to immediate preceding quarter increased to RM0.607 million from a pretax profit of RM0.220 million, resulted from gross profit margin improved to 29.1% from 21.9% despite higher operating expenses increased by 26.2% or RM0.357 million.

B3. Current year's prospect

Barring any unforeseen circumstances, the Directors envisage to maintain current performance for the remaining quarters of the current financial year.

B4. Variance of actual profit from forecast profit

There were no profits forecast and profit guarantee issued by the Company for the quarter under review.

B5. Taxation

	Current Quarter RM '000	Cumulative Quarters RM '000
Current Year	53	53
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	<u>53</u>	<u>53</u>
* Effective tax rate	8.7%	8.7%

The effective tax rate for quarter and year to-date ended 31 January 2011 were lower than the statutory tax rate of 25% mainly due to availability of unabsorbed tax allowance in the subsidiary with the highest profit.

B6. Sales of unquoted investments and/or properties

There were no sales of unquoted investments and/or properties for the current quarter and financial year to date.

B7. Purchase or disposal of quoted securities

As at 31 January 2011, the investments in quoted securities are as follow:-

Cost	Carrying Value	Market Value
<i>RM '000</i>	<i>RM '000</i>	<i>RM '000</i>
1,444	1,390	1,390

During the period under review, quoted securities purchased and held for trading was amounted to RM551,836 only.

B8. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 October 2010.

B9. Group borrowings and debt securities

The group's borrowings as at 31 January 2011 as follows:-

<i>RM '000</i>	Secured	Unsecured	Total
Short term	570	-	570
Long term	5,177	-	5,177
Total	5,747	-	5,747

All borrowings are denominated in local currency.

There was no debt securities issued as at 31 January 2011.

B10. Derivative financial instruments

With the early adoption of FRS 139, financial derivatives are recognized on their respective contract dates.

As at the date of statement of financial position, the Group has no outstanding derivative financial instruments.

B11. Gains and losses arising from fair value changes of financial liabilities

There were no gains or losses recognized for changes in the fair values of financial liabilities measured at fair value through profit or loss for current quarter.

B12. Changes in material litigation

There was no material litigation pending as at the date of this report.

B13. Dividends

The Board of Directors proposed a First and Final Dividend of 1.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2010. The proposed dividend is subject to the approval of the shareholders at the annual general meeting to be held on a date which shall be announced later.

B14. 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
Net profit / (loss) attributable to equity holders of the Company (RM '000)	568
Weighted average number of ordinary shares ('000)	37,649
Basic earnings per share (sen)	1.51

b. Diluted

Not applicable

B15. 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 2010 did not contain any qualification.

B16. 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 Jan 2011 RM
Realised Gain	11,786,886
Unrealised Loss	275,075
Retained earnings	11,511,811

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary
Kuala Lumpur