

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

PART A1: QUARTERLY REPORT

* Quarterly report for the financial period ended

31-Jan-12

* Quarter

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

* Financial Year End

31-Oct-12

* 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-12

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Jan-12 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Jan-11 RM' 000	CURRENT YEAR TO DATE 31-Jan-12 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Jan-11 RM' 000
1	Revenue	5,591	6,846	5,591	6,846
2	Profit/(loss) before tax	(289)	607	(289)	607
3	Net Profit/(loss) for the period	(372)	554	(372)	554
4	Profit/(loss) after tax and minority interest	(328)	568	(328)	568
5	Basic earnings/(loss) per share (sen)	(0.90)	1.51	(0.90)	1.51
6	Proposed/Declared Dividend per share - cash (sen)	2.00	1.00	2.00	1.00

		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)	1.3803	1.4209

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2012 (UNAUDITED)

		INDIVIDUAL PERIOD	
		3 MONTHS ENDED	
		31-Jan-12	31-Jan-11
		RM' 000	RM' 000
Revenue	B1	5,591	6,846
Operating Expenses		(5,954)	(6,521)
Other Income		192	334
Gain on derivative financial instrument		-	-
Investing Income		6	4
Finance costs		(124)	(56)
Profit before tax	B2	(289)	607
Tax expense	B5	(83)	(53)
Profit after tax for the period		(372)	554
Other Comprehensive Income:			
Exchange translation reserve		(6)	(1)
Other Comprehensive Income net of tax		(6)	(1)
Total Comprehensive Income for the period		(378)	553
Profit attributable to:			
Equity holders of the Company		(328)	568
Non-Controlling Interest		(44)	(14)
		(372)	554
Total comprehensive income attributable to:			
Equity holders of the Company		(328)	553
Non-Controlling Interest		(50)	-
		(378)	553
Earnings per share attributable to equity holders of the Company:	B14		
-Basic EPS (sen)		(0.90)	1.51
-Diluted EPS (sen)		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 2011 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 2012 (UNAUDITED)

		AS AT CURRENT FINANCIAL QUARTER ENDED 31-Jan-12 (Unaudited) RM' 000	AS AT 31-Oct-11 (Audited) RM' 000
	Note		
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	A1	13,702	14,170
Investment Properties		14,229	14,272
Land Held for Development		2,198	2,198
Development Costs		697	-
Prepaid Lease Payments		5,387	1,962
Other investment		165	165
		<u>36,378</u>	<u>32,767</u>
CURRENT ASSETS			
Property Development Costs		712	712
Inventories		4,744	4,693
Trade Receivables		4,535	4,041
Other Receivables, Deposit & Prepayments		664	1,117
Other Investments		686	2,403
Tax Recoverable		205	47
Cash & Cash Equivalent		19,185	21,943
		<u>30,731</u>	<u>34,956</u>
TOTAL ASSETS		<u>67,109</u>	<u>67,723</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)
Other Reserves		1,671	1,685
Retained Earnings		11,585	13,010
		<u>50,314</u>	<u>51,753</u>
Non-Controlling interest		173	217
TOTAL EQUITY		<u>50,487</u>	<u>51,970</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	B9	9,173	9,331
Hire Purchase Creditors		238	224
Deferred Income		16	21
Deferred Tax		1,429	1,490
		<u>10,856</u>	<u>11,066</u>
CURRENT LIABILITIES			
Short Term Borrowings	B9	1,006	1,021
Trade Payables		1,809	788
Other Payables, Deposits & Accruals		2,626	2,765
Deferred Income		21	21
Provision For Taxation		304	92
		<u>5,766</u>	<u>4,687</u>
TOTAL EQUITY AND LIABILITIES		<u>67,109</u>	<u>67,723</u>
NET ASSETS PER SHARE(RM)		1.3803	1.4209

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2011 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 2012 (UNAUDITED)

	Attributable to Equity Holders of the Company							Minority Interest	Total Equity		
	Share Capital (RM '000)	Share Premium (RM '000)	Revaluation Reserve (RM '000)	Exchange translation reserve (RM '000)	Fair value reserve (RM '000)	Hedge reserve (RM '000)	Retained Earnings (RM '000)			Treasury Share Total (RM '000)	
3 months ended 31 January 2012											
01 November 2011	40,612	-	1,535	150	-	-	13,010	(3,554)	51,753	217	51,970
Dividend	-	-	-	-	-	-	(1,097)	-	(1,097)	-	(1,097)
Total comprehensive income for the period	-	-	(10)	(4)	-	-	(328)	-	(342)	(44)	(386)
31 January 2012	40,612	-	1,525	146	-	-	11,585	(3,554)	50,314	173	50,487
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 period	-	-	(1)	(10)	-	-	568	-	557	(4)	553
31 January 2011	40,612	-	1,534	168	-	-	11,511	(2,485)	51,340	361	51,701

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2011 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 2012 (UNAUDITED)

	2012 3 MONTHS ENDED 31-Jan-12 (RM 000)	2011 3 MONTHS ENDED 31-Oct-11 (RM 000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	(289)	607
ADJUSTMENTS:-		
NON CASH ITEMS	660	862
NON OPERATING ITEMS (INVESTING/FINANCING)	(111)	(28)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	260	1,441
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(52)	(760)
RECEIVABLES	(91)	(30)
PAYABLES	882	697
CASH GENERATED FROM OPERATIONS	999	1,348
INTEREST PAID	(124)	(56)
INTEREST RECEIVED	156	80
TAX PAID	(89)	(16)
NET CASH GENERATED FROM OPERATING ACTIVITIES	942	1,356
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
EQUITY INVESTMENT	6	4
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(105)	(921)
DEVELOPMENT COSTS INCURRED	(697)	-
PURCHASE OF LEASEHOLD LAND	(3,425)	-
PROCEEDS FROM DISPOSAL OF/(ADDITIONAL) OTHER INVESTMENTS	1,792	(552)
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(2,429)	(1,469)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
BORROWINGS (REPAYMENT)/DRAWDOWN, NET	(160)	(117)
DIVIDEND PAID	(1,097)	-
PURCHASE OF TREASURY SHARES	-	-
NET CASH USED IN FINANCING ACTIVITIES	(1,257)	(117)
CURRENCY TRANSLATION DIFFERENCE	(14)	(54)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,758)	(284)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,943	16,546
CASH AND CASH EQUIVALENTS AT END OF PERIOD	19,185	16,262

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2011 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 2012 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 2011. 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 2011 except for the adoption of the following Amendments to FRSs and IC Interpretations:-

Amendments to FRSs Improvements to FRSs (2010)
Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7 Improving Disclosures about Financial Instruments
TR - 3 Guidance on Disclosures of Transition to IFRSs

The adoption of the above amendments to FRSs and TR does not have any material impact on the financial statements of the Group.

The following are the new/revised FRS and IC Interpretations which are effective but are not applicable to the Group:-

Amendment to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for Firsttime Adopters
Amendments to FRS 1 Additional Exemptions for First-time Adopters
IC Interpretation 4 Determining Whether an Arrangement contains a Lease
IC Interpretation 18 Transfers of Assets from Customers
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14 Prepayment of a Minimum Funding Requirement
TR i - 4 Shariah Compliant Sale Contracts.

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 financial period ended 31 January 2012 except that the operation in Thailand subsidiary still severely affected by the flood in October 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 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. Total equity includes non-controlling interests.

The gearing ratios as at 31 January 2012 and 31 October 2011, which are within the Group's objectives for capital management, are as follows:

As At	31-Jan-12 RM '000	31-Oct-11 RM '000	Changes RM '000
Total liabilities	16,621,251	15,752,854	868,397
Total equity	50,314,129	51,752,672	(1,438,543)
Total capital	66,935,379	67,505,526	(570,147)
Gearing Ratio	33.0%	30.4%	2.6%

The increased in the gearing ratio during the period under review was mainly due to an additional term loan drawn down during the quarter under review.

Except disclosed below, 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 2011. 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.

As at 31 January 2012, a total of 4,035,560 ordinary shares were repurchased from the open market for a total consideration of RM3,554,493 at an average price of RM0.8808 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

A single-tier first interim dividend of 3 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2011 had been paid on 30 January 2012.

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 financial period ended 31 January 2012	Manufacturing & Trading	Property Investment	Total
	<i>RM '000</i>	<i>RM '000</i>	<i>RM '000</i>
Revenue from external customer	5,087	438	5,525
Intersegment revenue	-	-	-
Reportable segment profit / (loss)	(562)	81	(481)

<u>Reconciliation of profit or loss</u>	<i>RM '000</i>
Total profit for reportable segments	(481)
Investment income	6
Gain on disposal of quoted investments	170
Unrealised loss on quoted investments	(98)
Interest income	156
Unallocated amounts:-	
Corporate expenses	(42)
Other non-reportable segments	-
Group's profit before income tax expense	<u>(289)</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 2012:-

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	10,232

A11. Capital Commitment

There were no capital commitments not provided for in the financial statement as at 31 January 2012.

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 and financial year-to-date

<i>RM '000</i>	Current Quarter	Year-To-Date
Revenue		
Manufacturing & Trading	5,087	5,087
Property Investment	438	438
Profit/(Loss) before tax		
Manufacturing & Trading	(562)	(562)
Property Investment	81	81

For the first quarter ended 31st January 2012, the Group's manufacturing segment incurred a loss of RM0.562 million. The poor performance was due to European Sovereign debt crisis affected the sales and gross profit margin as compared to preceding corresponding quarter.

Property investment registered a lower profit before tax as compared to immediate preceding corresponding quarter as the company incurred higher borrowing costs (due to additional borrowing drawdown in October 2011 for working capital) and higher maintenance expenses.

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

For the first financial quarter ended 31 January 2012, the Group recorded a loss of RM0.289 million compared to a pretax profit of RM0.263 million posted in the immediate preceding quarter. The dragged down to loss from profit was attributed to sales dropped by 1.0% or RM0.054 million and profit margin declined by 13.1% or RM0.183 million and other income decreased by RM0.305 million.

B3. Prospect for the remaining period to the end of the financial year

Barring unforeseen circumstances, the Boards foresee a challenging year ahead. Nevertheless the Directors endeavor for a better performance for the remaining period of the financial year.

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 Year-to-date Quarter	
	<i>RM '000</i>	<i>RM '000</i>
Current Year	83	83
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	<u>83</u>	<u>83</u>

The effective tax rate for financial quarter ended 31 January 2012 were higher than the statutory tax rate of 25% mainly due to provision made for first financial quarter for loss making subsidiary.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 January 2012.

B7. Group borrowings and debt securities

The group's borrowings as at 31 January 2012 as follows:-

RM '000	Secured	Unsecured	Total
Short term	903	-	903
Long term	9,159	-	9,159
Total	10,062	-	10,062

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. Dividends

The Directors have recommended a final single-tier dividend of 2.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2011. 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. The date of payment of the dividend and the date for the determination of dividend entitlement would also be announced later.

Including the current proposed dividend, total dividend for the financial year ended 31 October 2011 was 5.0 sen (2010: 1.0 sen) per ordinary shares of RM1.00 each.

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)	(328)	(328)
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic loss per share (sen)	(0.90)	(0.90)

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 2011 did not contain any qualification, except for the effects of the matter described in the Basis for Qualified Opinion paragraph regarding the Thailand subsidiary company.

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;	(156)	(156)
(b) other income including investment income;	(6)	(6)
(c) interest expense;	124	124
(d) depreciation and amortization;	579	579
(e) provision for and write off of receivables;	-	-
(f) provision for and write off of inventories;	-	-
(g) (gain)/loss on disposal of quoted investments	(170)	(170)
(h) impairment of assets;	-	-
(i) net foreign exchange (gain)/loss;	121	121
(j) gain or loss on derivatives; and	-	-
(k) exceptional items (with details).	-	-

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-Jan-12 RM '000
Realised	30,511
Unrealised	(1,696)
	<u>28,815</u>
Less: Consolidation adjustments	(17,230)
Retained Earnings	<u>11,585</u>

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur