

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

PART A1: QUARTERLY REPORT

* Quarterly report for the financial period ended

31-Jul-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-Jul-12

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Jul-12 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Jul-11 RM' 000	CURRENT YEAR TO DATE 31-Jul-12 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Jul-11 RM' 000
1	Revenue	5,424	6,028	16,096	19,635
2	Profit/(loss) before tax	397	659	768	2,641
3	Net Profit/(loss) for the period	224	447	430	1,973
4	Profit/(loss) after tax and minority interest	225	404	499	1,961
5	Basic earnings/(loss) per share (sen)	0.62	2.63	1.36	4.14
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)	1.3821	1.4209

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

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 9 MONTHS ENDED	
	31-Jul-12 RM' 000	31-Jul-11 RM' 000	31-Jul-12 RM' 000	31-Jul-11 RM' 000
Revenue	5,424	6,028	16,096	19,635
Operating Expenses	(4,957)	(5,612)	(15,600)	(18,056)
Other Income	43	318	607	1,237
Gain on derivative financial instrument	-	-	-	-
Investing Income	4	1	20	16
Finance costs	(117)	(76)	(355)	(191)
Profit before tax	397	659	768	2,641
Tax expense	(173)	(212)	(338)	(668)
Profit after tax for the period	224	447	430	1,973
Other Comprehensive Income:				
Exchange translation reserve	-	6	(6)	(6)
Other Comprehensive Income net of tax	-	6	(6)	(6)
Total Comprehensive Income for the period	224	453	424	1,967
Profit attributable to:				
Equity holders of the Company	225	404	499	1,961
Non-Controlling Interest	(1)	43	(69)	12
	224	447	430	1,973
Total comprehensive income attributable to:				
Equity holders of the Company	224	410	493	1,944
Non-Controlling Interest	-	43	(69)	23
	224	453	424	1,967
Earnings per share attributable to equity holders of the Company:				
-Basic EPS (sen)	0.62	2.63	1.36	4.14
-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 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 JULY 2012 (UNAUDITED)

	Note	AS AT 31-Jul-12 (Unaudited) RM' 000	AS AT 31-Oct-11 (Audited) RM' 000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	A1	13,296	14,170
Investment Properties		14,143	14,272
Land Held for Development		2,198	2,198
Development Costs		2,004	-
Prepaid Lease Payments		5,477	1,962
Other investment		165	165
		<u>37,283</u>	<u>32,767</u>
CURRENT ASSETS			
Property Development Costs		712	712
Inventories		4,347	4,693
Trade Receivables		4,684	4,041
Other Receivables, Deposit & Prepayments		962	1,117
Other Investments		850	2,403
Tax Recoverable		296	47
Cash & Cash Equivalents		16,864	21,943
		<u>28,715</u>	<u>34,956</u>
TOTAL ASSETS		<u>65,998</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		1,666	1,685
Retained Earnings		11,681	13,010
		<u>50,405</u>	<u>51,753</u>
Non-Controlling interest		148	217
TOTAL EQUITY		<u>50,553</u>	<u>51,970</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	B9	8,896	9,555
Deferred Income		5	21
Deferred Tax		1,490	1,490
		<u>10,391</u>	<u>11,066</u>
CURRENT LIABILITIES			
Short Term Borrowings	B9	1,024	1,021
Trade Payables		1,318	788
Other Payables, Deposits & Accruals		2,408	2,765
Deferred Income		21	21
Provision For Taxation		283	92
		<u>5,054</u>	<u>4,687</u>
TOTAL EQUITY AND LIABILITIES		<u>65,998</u>	<u>67,723</u>
NET ASSETS PER SHARE(RM)		1.3821	1.4209

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with 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 JULY 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)	<---Distributable---> Retained Earnings (RM '000)			Treasury Share Total (RM '000)	
9 months ended											
31 July 2012	40,612	-	1,535	150	-	-	13,010	(3,554)	51,753	217	51,970
01 November 2011	-	-	-	-	-	-	(1,828)	-	(1,828)	-	(1,828)
Dividend	-	-	(1)	(18)	-	-	498	-	480	(69)	411
Total comprehensive income for the period	-	-	1,534	132	-	-	11,681	(3,554)	50,405	148	50,553
31 July 2012	40,612	-	1,535	178	-	-	10,943	(2,485)	50,783	365	51,148
9 months ended											
31 July 2011	-	-	(7)	(10)	-	-	1,961	-	1,944	23	1,967
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,069)	(1,069)	-	(1,069)
Purchase of treasury shares	-	-	-	-	-	-	(376)	-	(376)	-	(376)
Dividend	-	-	-	-	-	-	-	-	-	-	-
31 July 2011	40,612	-	1,528	168	-	-	12,528	(3,554)	51,282	388	51,670

(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 JULY 2012 (UNAUDITED)

	2012 9 MONTHS ENDED 31/Jul/2012 (RM 000)	2011 9 MONTHS ENDED 31/Jul/2011 (RM 000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	768	2,641
ADJUSTMENTS:-		
NON CASH ITEMS	1,848	2,032
NON OPERATING ITEMS (INVESTING/FINANCING)	(18)	(52)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,598	4,621
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	346	(705)
RECEIVABLES	(594)	(1,264)
PAYABLES	174	15
CASH GENERATED FROM OPERATIONS	2,524	2,667
INTEREST PAID	(355)	(191)
INTEREST RECEIVED	352	228
TAX REFUNDED/(PAID), NET	(396)	(232)
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,125	2,472
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
EQUITY INVESTMENT	20	16
OIL PALM PLANTING EXPENDITURE	(2,004)	-
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(730)	(1,374)
OTHER INVESTMENT	1,554	70
PURCHASE OF LEASEHOLD LAND	(3,539)	-
NET CASH USED IN INVESTING ACTIVITIES	(4,699)	(1,288)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
BORROWINGS (REPAYMENT)/DRAWDOWN, NET	(657)	(83)
DIVIDEND	(1,829)	(376)
SHARE BUY-BACKS	-	(1,070)
NET CASH USED IN FINANCING ACTIVITIES	(2,486)	(1,529)
CURRENCY TRANSLATION DIFFERENCE	(19)	(34)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(5,079)	(379)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	21,943	16,546
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,864	16,167

(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 July 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 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. Total equity includes non-controlling interests.

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

As At	31-Jul-12 RM	31-Oct-11 RM	Changes RM
Total liabilities	15,445,557	15,752,854	(307,297)
Total equity	50,552,515	51,969,883	(1,417,368)
Total capital	65,998,072	67,722,737	(1,724,665)
Gearing Ratio	30.6%	30.3%	0.3%

Gearing ratio increased marginally as compared to last financial year end because of reduced owners' equity as a result of dividend payout of 5 sen per share during the 9 month period but the ratio is still way below the maximum of 50%.

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 2012. 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 July 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

For Financial Year Ended 31 October 2011

~ Interim Dividend of 3 sen per ordinary share of RM1.00 each amounting to RM1,097,295.75 has been paid on 30 January 2012

~ Final Dividend of 2 sen per ordinary share of RM1.00 each amounting to RM 731,530.50 has been paid on 28 May 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 July 2012	Manufacturing & Trading	Property Investment	Total
	<i>RM '000</i>	<i>RM '000</i>	<i>RM '000</i>
Revenue from external customer	14,886	1,320	16,206
Intersegment revenue	-	-	-
Reportable segment profit / (loss)	310	151	461

Reconciliation of profit or loss	<i>RM '000</i>
Total profit for reportable segments	461
Investment income	20
Gain on disposal of quoted investments	186
Unrealised loss on quoted investments	(110)
Interest income	352
Unallocated amounts:-	
Corporate expenses	(135)
Other non-reportable segments	(6)
Group's profit before income tax expense	768

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 July 2012:-

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

	RM '000
Total contingent liabilities	9,614

A11. Capital Commitment

There were no capital commitments not provided for in the financial statement as at 31 July 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	5,021	14,886
Property Investment	441	1,320
Profit/(Loss) before tax		
Manufacturing & Trading	406	310
Property Investment	(69)	151

For current quarter under review, the Manufacturing segments achieved a lower pretax profit as compared to immediate preceding quarter. This was mainly due to lower gross profit margin and higher operating expenses.

The Property Investment segments had incurred loss during the quarter as compared to immediate preceding quarter due to higher non-recurring maintenance expenses.

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

For the third quarter ended 31 July 2012, the Group pretax profit dragged down to RM0.397 million from RM0.660 million reported in the immediate preceding quarter. The dip in earnings by RM0.263 million was caused by other income dropped by RM0.327 million or 88.1% despite sales improved by RM0.343 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	Year-to-date
	<i>RM '000</i>	<i>RM '000</i>
Current Year	83	248
Prior Year	90	90
Deferred Taxation	-	-
Tax expense *	<u>173</u>	<u>338</u>

The effective tax rate for financial quarter ended 31 July 2012 were higher than the statutory tax rate of 25% mainly due to adjustment of prior year tax.

B6. Status of corporate proposals

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

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	1,023	-	1,023
Long term	8,897	-	8,897
Total	9,920	-	9,920

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

There were no dividends proposed during the quarter under 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)	225	499
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning per share (sen)	0.62	1.36

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	Year-To-Date
	<i>RM</i>	<i>RM</i>
(a) interest income;	(89,440)	(352,248)
(b) other income including investment income;	(4,472)	(20,222)
(c) interest expense;	117,105	354,793
(d) depreciation and amortization;	602,750	1,779,316
(e) provision for and write off of receivables;	-	-
(f) provision for and write off of inventories;	-	-
(g) (gain)/loss on disposal of quoted investments	(11,584)	(185,713)
(h) impairment of assets;	-	-
(i) net foreign exchange (gain)/loss;	86,133	186,217
(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-Jul-12
		<i>RM '000</i>
Realised		30,107
Unrealised		(1,683)
		28,424
Less: Consolidation adjustments		(16,743)
Retained Earnings		11,681

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur