

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

PART A1: QUARTERLY REPORT

* Quarterly report for the financial period ended

31-Jan-13

* Quarter

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

* Financial Year End

31-Oct-13

* 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-13

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Jan-13 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Jan-12 RM' 000	CURRENT YEAR TO DATE 31-Jan-13 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Jan-12 RM' 000
1	Revenue	4,464	5,591	4,464	5,591
2	Profit/(loss) before tax	(391)	(289)	(391)	(289)
3	Net Profit/(loss) for the period	(456)	(372)	(456)	(372)
4	Profit/(loss) after tax and minority interest	(456)	(328)	(456)	(328)
5	Basic earnings/(loss) per share (sen)	(1.25)	(0.90)	(1.25)	(0.90)
6	Proposed/Declared Dividend per share - cash (sen)	2.00	2.00	2.00	2.00

		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)	1.7099	1.7424

PART A3: ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Jan-13 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Jan-12 RM' 000	CURRENT YEAR TO DATE 31-Jan-13 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Jan-12 RM' 000
1	Gross Interest Income	87	156	87	156
2	Gross Interest Expense	114	124	114	124

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2013 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 3 MONTHS ENDED	
		31-Jan-13 RM' 000	31-Jan-12 RM' 000	31-Jan-13 RM' 000	31-Jan-12 RM' 000
Revenue	B1	4,464	5,591	4,464	5,591
Operating Expenses		(4,981)	(5,954)	(4,981)	(5,954)
Other Income		237	192	237	192
Gain on derivative financial instrument		-	-	-	-
Investing Income		3	6	3	6
Finance costs		(114)	(124)	(114)	(124)
Profit/(Loss) before tax	B2	(391)	(289)	(391)	(289)
Tax expense	B5	(65)	(83)	(65)	(83)
Profit/(Loss) after tax for the period		(456)	(372)	(456)	(372)
Other Comprehensive Income:					
Exchange translation reserve		-	(6)	-	(6)
Other Comprehensive Income net of tax		-	(6)	-	(6)
Total Comprehensive Income/(Loss) for the period		(456)	(378)	(456)	(378)
Profit/(Loss) attributable to:					
Equity holders of the Company		(456)	(328)	(456)	(328)
Non-Controlling Interest		-	(44)	-	(44)
		(456)	(372)	(456)	(372)
Total comprehensive income/(Loss) attributable to:					
Equity holders of the Company		(456)	(328)	(456)	(328)
Non-Controlling Interest		-	(50)	-	(50)
		(456)	(378)	(456)	(378)
Earnings/(Loss) per share attributable to equity holders of the Company:	B14				
-Basic EPS (sen)		(1.25)	(0.90)	(1.25)	(0.90)
-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 2012 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 2013 (UNAUDITED)

	AS AT 31-Jan-13	AS AT 31-Oct-12 (Audited and Restated)	AS AT 31-Oct-11 (Restated)
	RM' 000	RM	RM
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment	15,749	16,265	14,170
Investment Properties	29,147	29,143	24,400
Land Held for Development	1,201	1,201	2,198
Biological assets	2,780	2,457	-
Prepaid Lease Payments	1,931	1,938	1,962
Other investment	165	165	165
	<u>50,973</u>	<u>51,169</u>	<u>42,895</u>
CURRENT ASSETS			
Property Development Costs	1,606	1,692	712
Inventories	3,428	3,825	4,693
Trade Receivables	3,697	4,168	4,041
Other Receivables, Deposit & Prepayments	887	797	1,117
Other Investments	1,252	2,026	2,403
Tax Recoverable	549	158	47
Cash & Cash Equivalents	17,820	16,314	21,943
	<u>29,239</u>	<u>28,980</u>	<u>34,956</u>
TOTAL ASSETS	<u>80,212</u>	<u>80,149</u>	<u>77,851</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share Capital	40,612	40,612	40,612
Treasury Share, At Cost	(3,554)	(3,554)	(3,554)
Revaluation Reserves	-	-	-
Exchange translation reserves	-	-	150
Retained Earnings	25,485	26,672	23,195
	<u>62,543</u>	<u>63,730</u>	<u>60,403</u>
Non-Controlling interest	-	-	217
TOTAL EQUITY	<u>62,543</u>	<u>63,730</u>	<u>60,620</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	8,217	8,511	9,555
Deferred Income	-	-	21
Deferred Tax	4,309	4,309	2,968
	<u>12,526</u>	<u>12,820</u>	<u>12,544</u>
CURRENT LIABILITIES			
Short Term Borrowings	1,094	1,051	1,021
Trade Payables	846	897	788
Other Payables, Deposits & Accruals	2,072	1,623	2,765
Deferred Income	16	21	21
Dividend payable	732	-	-
Provision For Taxation	383	7	92
	<u>5,143</u>	<u>3,599</u>	<u>4,687</u>
TOTAL EQUITY AND LIABILITIES	<u>80,212</u>	<u>80,149</u>	<u>77,851</u>
NET ASSETS PER SHARE(RM)	1.7099	1.7424	1.6573

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012 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 2013 (UNAUDITED)

	←-----Attributable to Equity Holders of the Company-----→					Minority Interest	Total Equity
	Share Capital	Revaluation Reserve	Exchange translation reserve	Treasury Share	Retained Earnings		
	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)	(RM '000)
3 months ended							
31 January 2013							
Balance at 01 November 2011 (Restated)	40,612	-	150	(3,554)	23,195	60,403	60,620
Total comprehensive income:-							
Profit for the year	-	-	(5)	-	2,265	2,260	2,256
Revaluation reserves	-	-	-	-	3,040	3,040	3,040
Reversal due to disposal of subsidiary company	-	-	(145)	-	0	(145)	(358)
Transaction with owner:-							
Dividend paid	-	-	-	-	(1,828)	(1,828)	(1,828)
Balance at 31 October 2012	40,612	-	-	(3,554)	26,672	63,730	63,730
Total comprehensive income:-							
Loss for the year	-	-	-	-	(456)	(456)	(456)
Transaction with owner:-							
Dividend paid	-	-	-	-	(732)	(732)	(732)
Balance at 31 January 2013	40,612	-	-	(3,554)	25,485	62,543	62,543
3 months ended							
31 January 2012 (Unaudited)							
Balance at 01 November 2011 (Restated)	40,612	-	150	(3,554)	23,195	60,403	60,620
Total comprehensive income:-							
Loss for the year	-	-	(4)	-	(338)	(342)	(386)
Transaction with owner:-							
Dividend paid	-	-	-	-	(1,097)	(1,097)	(1,097)
Balance at 31 January 2012	40,612	-	146	(3,554)	21,760	58,964	59,137

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012 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 2013 (UNAUDITED)

	2013 3 MONTHS ENDED 31/Jan/2013 (RM'000)	2012 3 MONTHS ENDED 31/Jan/2012 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	(391)	(289)
ADJUSTMENTS:-		
NON CASH ITEMS	538	660
NON OPERATING ITEMS (INVESTING/FINANCING)	0	(111)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	147	260
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	397	(52)
RECEIVABLES	382	(91)
PROPERTY DEVELOPMENT COST	86	-
PAYABLES	398	882
CASH GENERATED FROM OPERATIONS	1,409	999
TAX REFUND	27	-
TAX PAID	(106)	(89)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,331	910
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(324)	(697)
INTEREST RECEIVED	87	156
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(21)	(105)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	0	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	2	6
PROCEED FROM DISPOSAL OF OTHER INVESTMENT	798	1,792
PURCHASE OF INVESTMENT PROPERTY	(4)	(3,425)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	539	(2,273)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
BORROWINGS (REPAYMENT)/DRAWDOWN, NET	(250)	(160)
INTEREST PAID	(114)	(124)
DIVIDEND PAID	-	(1,097)
NET USED IN FINANCING ACTIVITIES	(364)	(1,381)
CURRENCY TRANSLATION DIFFERENCE	-	(14)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,506	(2,758)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,314	21,943
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17,820	19,185

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2012 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 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 January 2013 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 2012. 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 2012.

This interim financial report is the Group's first MFRS compliant interim financial report and hence MFRS 1: First-Time Adoption of Malaysian Financial reporting Standard (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 November 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is stated as follow:-

Revaluation of property, plant and equipment as deemed cost.

On transition from FRS to MFRS, the Group elected to use the latest revaluation of property, plant and equipment before the date of transition to MFRS framework as deemed cost at the date of revaluation.

Accordingly, at the date of transition to MFRS, the revaluation reserve of RM 1.535 million (31.01.2012: RM1.525 million; 31 October 2012: RM4.522 million) were reclassified to retained earnings.

The reconciliation of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are stated below:-

Reconciliation of equity as at 1 November 2011

Equity in RM'000	FRS as at 01.11.2011	Reclassification	MFRS as at 01.11.2011
Revaluation reserve	1,535	(1,535)	-
Retained earnings	21,660	1,535	23,195

Reconciliation of equity as at 31 January 2012

Equity in RM'000	FRS as at 31.01.2012	Reclassification	MFRS as at 31.01.2012
Revaluation reserve	1,525	(1,525)	-
Retained earnings	11,585	1,525	13,110

Reconciliation of equity as at 31 October 2012

Equity in RM'000	FRS as at 31.10.2012	Reclassification	MFRS as at 31.10.2012
Revaluation reserve	4,522	(4,522)	-
Retained earnings	22,150	4,522	26,672

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 January 2013 and 31 October 2012, which are within the Group's objectives for capital management, are as follows:

As At	31-Jan-13	31-Oct-12	31-Oct-11
		(Audited)	(Restated)
	RM'000	RM'000	RM'000
Total liabilities	17,669	16,418	17,231
Total equity	62,543	63,730	60,620
Total capital	80,212	80,148	77,851
Gearing Ratio	28.3%	25.8%	28.4%

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 30 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 January 2013, 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

There was no dividend paid during the quarter under review.

A7. Operating segment information

With the adoption of MFRS 8, Operating Segments, the Group has three reportable segments: Manufacturing and trading, property investment and investment holdings and joint property development.

Segment information for the financial period ended 31 January 2013	Manufacturing & Trading	Property Investment	Joint Property Development	Total
	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	3,783	408	273	4,464
Intersegment revenue	(67)	-	-	(67)
Reportable segment profit / (loss)	(694)	128	108	(458)

Reconciliation of profit or loss

RM '000

Total profit for reportable segments	(458)
Investment income	3
Net fair value gain on held for quoted shares	24
Interest income	87
Unallocated amounts:-	
Corporate expenses	(47)
Group's loss before income tax expense	<u>(391)</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 31 January 2013 except as follow:-

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

	RM '000
Total contingent liabilities	9,156

A11. Capital Commitment

There was no capital commitments not provided for in the financial statement as at 31 January 2013 except an authorized and contracted to purchase property, plant and equipment and investment properties of RM0.702 million and RM 1.847 million respectively.

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

RM '000	Individual quarter		Cumulative quarter	
	Current year quarter 31.01.13	Preceding year corresponding quarter 31.01.12	Current year to date 31.01.13	Preceding year corresponding period 31.01.13
Revenue				
Manufacturing & Trading	3,783	5,087	3,783	5,087
Property Investment	408	438	408	438
Property Development	273	-	273	-
Profit/(Loss) before tax				
Manufacturing & Trading	(694)	(562)	(694)	(562)
Property Investment	128	81	128	81
Property Development	108	-	108	-

For current quarter under review, the Manufacturing segments recorded higher pretax loss of RM0.694 million as compared to preceding year corresponding quarter of RM0.562 million. This was mainly due to sales slumped by RM1.304 million or 25.6% despite operating expenses reduced by RM0.11 million or 6.5%.

The Property Investment segments recorded higher pretax profit of RM0.128 million during the quarter under review as compared to preceding year corresponding quarter of RM0.081 mainly due to lower maintenance expenses.

The property development segment achieved pretax profit of RM0.108 million from the initial sales of 62 units house out of the total of 66 units houses launched under the 21% profit sharing joint venture project.

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

For the first quarter ended 31 January 2013, the Group incurred pretax loss of RM0.391 million as compared to a pretax profit of RM1.972 million achieved in the immediate preceding quarter. This was mainly due to other income plunged by RM1.038 million or 81.4%, sales dropped by RM0.886 million or 16.6% and gross profit decreased by 13.7% to 21.6% in the current quarter under review.

B3. Next financial year's prospect

Barring unforeseen circumstances, the Boards foresee a challenging year ahead. Nevertheless the Directors endeavor to maintain current performance for the next 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 Quarter RM '000	Year-to-date RM '000
Current Year	65	65
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	65	65

The effective tax rate for financial period ended 31 January 2013 was higher than the statutory tax rate of 25% mainly due to certain subsidiaries made loss during the quarter under review.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 January 2013.

B7. Group borrowings and debt securities

The group's borrowings as at 31 January 2013 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,094	-	1,094
Long term	8,217	-	8,217
Total	9,311	-	9,311

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 Board of Directors proposed a single-tier interim dividend of 2.0 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2012. The book closure date and payment date will be on 15 January 2013 and 05 February 2013 respectively.

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)	(456)	(456)
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	(1.25)	(1.25)

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 2012 did not contain any qualification, except for the effects of the matter described in the Basic 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;	(87)	(87)
(b) other income including investment income;	(3)	(3)
(c) interest expense;	114	114
(d) depreciation of property, plant and equipment	537	537
(e) amortisation of deferred income	(5)	(5)
(f) amortisation of prepaid land lease payment	6	6
(g) auditors' remuneration	22	22
(h) realised (gain)/loss on foreign exchange	(85)	(85)
(i) unrealised (gain)/loss on foreign exchange	51	51
(j) rental expenses	14	14
(k) rental income	(40)	(40)
(l) net fair value (gain)/loss on held for quoted shares	(24)	(24)

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-13 RM'000
Realised	31,615
Unrealised	<u>12,597</u>
	44,212
Less: Consolidated adjustments	<u>(18,727)</u>
Retained earnings	<u>25,485</u>

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur