

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

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 9 MONTHS ENDED	
	31-Jul-13 RM' 000	31-Jul-12 RM' 000	31-Jul-13 RM' 000	31-Jul-12 RM' 000
Revenue	5,028	5,424	13,598	16,096
Operating Expenses	(4,939)	(4,957)	(14,279)	(15,600)
Other Income	428	43	1,014	607
Gain on derivative financial instrument	-	-	-	-
Investing Income	2	4	12	20
Finance costs	(109)	(117)	(320)	(355)
<b>Profit/(Loss) before tax</b>	<b>410</b>	<b>397</b>	<b>25</b>	<b>768</b>
Tax expense	(138)	(173)	(292)	(338)
Profit/(Loss) after tax for the period	272	224	(267)	430
<b>Other Comprehensive Income:</b>				
Exchange translation reserve	-	-	-	(6)
<b>Other Comprehensive Income net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6)</b>
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>272</b>	<b>224</b>	<b>(267)</b>	<b>424</b>
<b>Profit/(Loss) attributable to:</b>				
Equity holders of the Company	272	225	(267)	499
Non-Controlling Interest	-	(1)	-	(69)
	272	224	(267)	430
<b>Total comprehensive income/(Loss) attributable to:</b>				
Equity holders of the Company	272	224	(267)	493
Non-Controlling Interest	-	-	-	(69)
	272	224	(267)	424
<b>Earnings/(Loss) per share attributable to equity holders of the Company:</b>				
-Basic EPS (sen)	0.74	0.62	(0.73)	1.36
-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 JULY 2013 ( UNAUDITED )**

	AS AT 31-Jul-13  RM' 000	AS AT 31-Oct-12 (Audited) RM' 000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	14,990	16,265
Investment Properties	31,105	29,143
Land Held for Development	1,201	1,201
Biological assets	3,372	2,457
Prepaid Lease Payments	1,919	1,938
Other investment	165	165
	<u>52,752</u>	<u>51,169</u>
<b>CURRENT ASSETS</b>		
Property Development Costs	1,282	1,692
Inventories	2,955	3,825
Trade Receivables	3,103	4,168
Other Receivables, Deposit & Prepayments	910	797
Other Investments	692	2,026
Tax Recoverable	500	158
Cash & Cash Equivalents	16,469	16,314
	<u>25,911</u>	<u>28,980</u>
<b>TOTAL ASSETS</b>	<u><b>78,663</b></u>	<u><b>80,149</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share Capital	40,612	40,612
Treasury Share, At Cost	(3,554)	(3,554)
Revaluation Reserves	4,522	4,522
Exchange translation reserves	-	-
Retained Earnings	20,421	22,150
	<u>62,001</u>	<u>63,730</u>
Non-Controlling interest	-	-
<b>TOTAL EQUITY</b>	<u><b>62,001</b></u>	<u><b>63,730</b></u>
<b>NON-CURRENT LIABILITIES</b>		
Long Term Borrowings	7,690	8,511
Deferred Income	-	-
Deferred Tax	4,309	4,309
	<u>11,999</u>	<u>12,820</u>
<b>CURRENT LIABILITIES</b>		
Short Term Borrowings	1,099	1,051
Trade Payables	983	897
Other Payables, Deposits & Accruals	2,281	1,623
Deferred Income	5	21
Dividend payable	-	-
Provision For Taxation	295	7
	<u>4,663</u>	<u>3,599</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>78,663</b></u>	<u><b>80,149</b></u>
<b>NET ASSETS PER SHARE( RM)</b>	1.6951	1.7424

(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 JULY 2013 ( UNAUDITED )

	Attributable to Equity Holders of the Company						Minority Interest	Total Equity
	Share Capital	Revaluation Reserve	Exchange translation reserve	Treasury Share	Retained Earnings	Total		
	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	(RM '000 )	
<b>9 months ended</b>								
<b>31 July 2013</b>								
<b>Balance at 01 November 2011</b>	40,612	1,535	150	(3,554)	21,660	60,403	60,620	
Total comprehensive income:-								
Profit for the year	-	-	(5)	-	2,265	2,260	2,256	
Revaluation reserves	-	3,041	-	-	-	3,041	3,041	
Reversal due to disposal of subsidiary company	-	(54)	(145)	-	54	(145)	(358)	
Transaction with owner:-								
Dividend paid	-	-	-	-	(1,828)	(1,828)	(1,828)	
<b>Balance at 31 October 2012</b>	40,612	4,522	-	(3,554)	22,151	63,731	63,731	
Total comprehensive income:-								
Loss for the year	-	-	-	-	(267)	(267)	(267)	
Transaction with owner:-								
Dividend paid	-	-	-	-	(1,463)	(1,463)	(1,463)	
<b>Balance at 31 July 2013</b>	40,612	4,522	-	(3,554)	20,421	62,001	62,001	
<b>9 months ended</b>								
<b>31 July 2012 (Unaudited)</b>								
<b>Balance at 01 November 2011</b>	40,612	1,535	150	(3,554)	21,660	60,403	60,620	
Total comprehensive income:-								
Profit/(Loss) for the year	-	(1)	(18)	-	499	480	411	
Transaction with owner:-								
Dividend paid	-	-	-	-	(1,828)	(1,828)	(1,828)	
<b>Balance at 31 July 2012</b>	40,612	1,534	132	(3,554)	20,331	59,055	59,203	

(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 JULY 2013 ( UNAUDITED )**

	2013 9 MONTHS ENDED 31/Jul/2013 (RM'000)	2012 9 MONTHS ENDED 31/Jul/2012 (RM'000)
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
PROFIT BEFORE TAXATION	25	768
ADJUSTMENTS:-		
NON CASH ITEMS	1,667	1,848
NON OPERATING ITEMS (INVESTING/FINANCING)	(125)	(18)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,567</b>	<b>2,598</b>
<b><u>CHANGES IN WORKING CAPITAL</u></b>		
INVENTORIES	870	346
RECEIVABLES	951	(594)
PROPERTY DEVELOPMENT COST	410	-
PAYABLES	743	174
<b>CASH GENERATED FROM OPERATIONS</b>	<b>4,541</b>	<b>2,524</b>
TAX REFUND	43	-
TAX PAID	(388)	(396)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>4,196</b>	<b>2,128</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
ACQUISITION OF BIOLOGICAL ASSET	(915)	(2,004)
INTEREST RECEIVED	263	352
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(458)	(730)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	105	-
PROCEED RECEIVED FROM QUOTED INVESTMENT	11	20
PROCEED FROM DISPOSAL FOR HELD FOR TRADING INVESTMENT SECURITIES	669	-
OTHER INVESTMENT	798	1,554
PURCHASE OF INVESTMENT PROPERTY	(1,961)	(3,539)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,488)</b>	<b>(4,347)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
REPAYMENT OF BANK BORROWING	(771)	(657)
INTEREST PAID	(319)	(355)
DIVIDEND PAID	(1,463)	(1,829)
<b>NET USED IN FINANCING ACTIVITIES</b>	<b>(2,553)</b>	<b>(2,841)</b>
<b>CURRENCY TRANSLATION DIFFERENCE</b>	<b>-</b>	<b>(19)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>155</b>	<b>(5,079)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>16,314</b>	<b>21,943</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>16,469</b>	<b>16,864</b>

(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 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 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.

Malaysian Financial Reporting Standards ("MFRS")

The Malaysian Accounting Standards Board ("MASB") had on 19 November 2011 issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRSs to 1 January 2015. Consequently, adoption of the MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015. The Group falls within the definition of Transitioning Entities and has opted to defer adoption of new MFRS framework. Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 October 2016.

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

As At	31-Jul-13	31-Oct-12
	RM'000	(Audited) RM'000
Total liabilities	16,662	16,419
Total equity	62,001	63,730
Total capital	78,663	80,149
Gearing Ratio	26.9%	25.8%

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 29 April 2013. 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 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**

A final single tier dividend of 2 sen per ordinary share of RM1.00 each in respect of financial year ended 31 October 2012 amounted to RM 731,530.50 has been paid on 23 May 2013.

**A7. Operating segment information**

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

Segment information for the financial period ended 31 July 2013	Manufacturing & Trading	Property Investment and investment holdings	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	11,061	1,342	1,195	-	13,598
Intersegment revenue	(274)	-	-	-	(274)
Reportable segment profit / (loss)	(1,294)	584	555	(80)	(235)

<u>Reconciliation of profit or loss</u>	RM '000
<b>Total profit for reportable segments</b>	<b>(235)</b>
Dividend received from quoted shares	12
Gain on disposal of quoted shares	42
Net fair value gain on quoted shares	92
Interest income	263
Unallocated amounts:-	
Corporate expenses	(149)
<b>Group's profit before income tax expense</b>	<b>25</b>

**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 July 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	8,685

**A11. Capital Commitment**

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

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	Preceding year	Current year	Preceding year
	quarter	corresponding quarter	to date	corresponding period
	31.07.13	31.07.12	31.07.13	31.07.12
<b>Revenue</b>				
Manufacturing & Trading	3,949	5,021	11,061	14,886
Property Investment and Investment Holdings	446	441	1,342	1,320
Joint Property Development	633	-	1,195	-
Plantation	-	-	-	-
<b>Profit/(Loss) before tax</b>				
Manufacturing & Trading	(227)	406	(1,294)	310
Property Investment and Investment Holdings	229	(69)	584	151
Joint Property Development	326	-	555	-
Plantation	(30)	-	(80)	-

For current third quarter under review, the manufacturing segments recorded a pretax loss of RM 0.227 million as compared to preceding year corresponding quarter of pretax profit of RM0.406 million. This was mainly due to sales slumped by RM1.072 million or 21.4%. The current year to date pretax loss of RM1.294 million was significantly higher as compared to preceding year corresponding period of pretax profit of RM0.31 million mainly affected by the declined in sales amounted to RM 3.825 million or 25.7%.

The property investment and investment holdings segments recorded higher pretax profit of RM0.229 million during the quarter under review as compared to preceding year corresponding quarter of pretax loss of RM0.69 million mainly due to lower maintenance expenses. The current year to date pretax profit of RM 0.584 million was significantly higher by RM 0.433 million or 287% as compared to preceding year corresponding period of RM 0.151 million mainly due to lower maintenance expenses.

The joint property development segment achieved pretax profit of RM0.326 million and RM 0.555 million for the current quarter under review and current year to date respectively from the sales of 64 unit houses out of the total of 66 unit houses 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 third quarter ended 31 July 2013, the Group recorded a pretax profit of RM0.41 million as compared to RM 0.006 million recorded in the immediate preceding quarter. The improvement was mainly attributed to sales increased by 22.5% or RM 0.922 million, gross profit margin increased by 1.3% to 24.6% from 23.3% together with other income increased by RM 0.079 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 to maintain current 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 Quarter RM '000	Year-to-date RM '000
Current Year	133	288
Prior Year	5	4
Deferred Taxation	-	-
Tax expense *	138	292

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

**B6. Status of corporate proposals**

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

**B7. Group borrowings and debt securities**

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

RM '000	Secured	Unsecured	Total
Short term	1,099	-	1,099
Long term	7,690	-	7,690
Total	8,789	-	8,789

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 was no dividend 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)	272	(267)
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	0.74	(0.73)

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) amortisation of deferred income	(5)	(15)
(b) amortisation of prepaid land lease payment	6	18
(c) auditors' remuneration	21	73
(d) depreciation of property, plant and equipment	541	1,663
(e) dividend received from quoted share	(2)	(12)
(f) (gain)/loss on disposal of property, plant and	(10)	(35)
(g) (gain)/loss on disposal of quoted shares	-	(42)
(h) interest income	(94)	(263)
(i) interest expense	109	320
(j) net fair value (gain)/loss on held for quoted shares	(52)	(91)
(k) realised (gain)/loss on foreign exchange	(86)	(255)
(l) rental expenses	12	40
(m) rental income	(37)	(116)
(n) unrealised (gain)/loss on foreign exchange	(95)	(38)

**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-13 RM'000
Realised	26,394
Unrealised	<u>12,754</u>
	39,148
Less: Consolidated adjustments	<u>(18,727)</u>
Retained earnings	<u>20,421</u>

BY ORDER OF THE BOARD

Ng Bee Lian  
Company Secretary

Kuala Lumpur