

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

	INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
	31-Oct-13 RM' 000	31-Oct-12 RM' 000	31-Oct-13 RM' 000	31-Oct-12 RM' 000
Revenue	4,710	5,350	18,308	21,446
Operating Expenses	(4,165)	(4,564)	(18,444)	(20,164)
Other income	5,463	1,276	6,477	1,883
Gain on derivative financial instrument	-	-	-	-
Investing Income	9	13	21	33
Finance costs	(98)	(101)	(418)	(456)
Profit/(Loss) before tax	5,919	1,974	5,944	2,742
Tax expense	1,016	(276)	724	(614)
Profit/(Loss) after tax for the period	6,935	1,698	6,668	2,128
Other Comprehensive Income:				
Exchange translation reserve	-	6	-	-
Other Comprehensive Income net of tax	-	6	-	-
Total Comprehensive Income/(Loss) for the period	6,935	1,704	6,668	2,128
Profit/(Loss) attributable to:				
Equity holders of the Company	6,935	1,634	6,668	2,133
Non-Controlling Interest	-	64	-	(5)
	6,935	1,698	6,668	2,128
Total comprehensive income/(Loss) attributable to:				
Equity holders of the Company	6,935	1,640	6,668	2,133
Non-Controlling Interest	-	64	-	(5)
	6,935	1,704	6,668	2,128
Earnings/(Loss) per share attributable to equity holders of the Company:				
-Basic EPS (sen)	18.96	4.47	18.23	5.83
-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 OCTOBER 2013 (UNAUDITED)

	AS AT 31-Oct-13 RM' 000	AS AT 31-Oct-12 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	14,923	16,265
Investment Properties	37,083	29,143
Land Held for Development	1,201	1,201
Biological assets	3,750	2,457
Prepaid Lease Payments	1,938	1,938
Other investment	165	165
	<u>59,060</u>	<u>51,169</u>
CURRENT ASSETS		
Property Development Costs	1,098	1,692
Inventories	2,948	3,825
Trade Receivables	2,950	4,168
Other Receivables, Deposit & Prepayments	1,205	797
Other Investments	769	2,026
Tax Recoverable	556	158
Cash & Cash Equivalents	15,734	16,314
	<u>25,260</u>	<u>28,980</u>
TOTAL ASSETS	<u>84,320</u>	<u>80,149</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)
Revaluation Reserves	4,522	4,522
Retained Earnings	27,355	22,150
TOTAL EQUITY	<u>68,935</u>	<u>63,730</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	7,921	8,511
Deferred Income	-	-
Deferred Tax	3,110	4,309
	<u>11,031</u>	<u>12,820</u>
CURRENT LIABILITIES		
Short Term Borrowings	1,097	1,051
Trade Payables	538	897
Other Payables, Deposits & Accruals	2,237	1,623
Deferred Income	-	21
Dividend payable	-	-
Provision For Taxation	482	7
	<u>4,354</u>	<u>3,599</u>
TOTAL EQUITY AND LIABILITIES	<u>84,320</u>	<u>80,149</u>
NET ASSETS PER SHARE(RM)	1.8847	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 OCTOBER 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)	
12 months ended								
31 October 2013								
Balance at 01 November 2011	40,612	1,535	150	(3,554)	21,660	60,403	60,620	
Total comprehensive income:-	-	-	(5)	-	2,265	2,260	2,256	
Profit for the year	-	3,041	-	-	-	3,041	3,041	
Revaluation reserves	-	(54)	(145)	-	54	(145)	(358)	
Reversal due to disposal of subsidiary company Transaction with owner:-	-	-	-	-	(1,829)	(1,829)	(1,829)	
Dividend paid	-	-	-	-	-	-	-	
Balance at 31 October 2012	40,612	4,522	-	(3,554)	22,150	63,730	63,730	
Total comprehensive income:-	-	-	-	-	6,668	6,668	6,668	
Profit for the year	-	-	-	-	-	-	-	
Transaction with owner:-	-	-	-	-	(1,463)	(1,463)	(1,463)	
Dividend paid	-	-	-	-	-	-	-	
Balance at 31 October 2013	40,612	4,522	-	(3,554)	27,355	68,935	68,935	
12 months ended								
31 October 2012 (audited)								
Balance at 01 November 2011	40,612	1,535	150	(3,554)	21,660	60,403	60,620	
Total comprehensive income:-	-	-	(5)	-	2,265	2,260	2,256	
Profit/(Loss) for the year	-	3,041	-	-	-	3,041	3,041	
Revaluation Reserves	-	(54)	(145)	-	54	(145)	(358)	
Reversal due to disposal of a subsidiary Transaction with owner:-	-	-	-	-	(1,829)	(1,829)	(1,829)	
Dividend paid	-	-	-	-	-	-	-	
Balance at 31 October 2012	40,612	4,522	-	(3,554)	22,150	63,730	63,730	

(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 OCTOBER 2013 (UNAUDITED)

	2013 12 MONTHS ENDED 31/Oct/2013 (RM'000)	2012 12 MONTHS ENDED 31/Oct/2012 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	5,944	2,742
ADJUSTMENTS:-		
NON CASH ITEMS	(3,040)	848
NON OPERATING ITEMS (INVESTING/FINANCING)	(163)	(294)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,741	3,296
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	877	863
RECEIVABLES	809	136
PROPERTY DEVELOPMENT COST	594	16
PAYABLES	255	(1,032)
CASH GENERATED FROM OPERATIONS	5,275	3,279
TAX REFUND	136	-
TAX PAID	(534)	(494)
NET CASH GENERATED FROM OPERATING ACTIVITIES	4,877	2,785
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(1,293)	(2,457)
INTEREST RECEIVED	358	438
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(898)	(1,136)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	105	950
NET CASH INFLOW ON DISPOSAL OF A SUBSIDIARY COMPANY	-	207
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	20	31
PURCHASE OF QUOTED SHARES	(44)	(1,743)
PROCEED FROM DISPOSAL FOR HELD FOR TRADING INVESTMENT SECURITIES	669	2,073
OTHER INVESTMENT	798	-
PURCHASE OF INVESTMENT PROPERTY	(2,749)	(3,533)
NET CASH USED IN INVESTING ACTIVITIES	(3,033)	(5,170)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(1,042)	(1,016)
DRAWDOWN OF TERM LOAN	500	-
INTEREST PAID	(418)	(456)
DIVIDEND PAID	(1,463)	(1,829)
NET USED IN FINANCING ACTIVITIES	(2,424)	(3,301)
CURRENCY TRANSLATION DIFFERENCE	-	14
NET DECREASE IN CASH AND CASH EQUIVALENTS	(579)	(5,672)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16,314	21,943
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15,734	16,271

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

As At	31-Oct-13	31-Oct-12 (Audited)
	RM'000	RM'000
Total liabilities	15,386	16,419
Total equity	68,935	63,730
Total capital	84,321	80,149
Gearing Ratio	22.3%	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 October 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 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 October 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	14,785	1,791	1,732	-	18,308
Intersegment revenue	(1,830)	-	-		(1,830)
Reportable segment profit / (loss)	(1,108)	843	811	(118)	428

<u>Reconciliation of profit or loss</u>	RM '000
Total profit for reportable segments	428
Dividend received from quoted shares	21
Gain on disposal of quoted shares	42
Net fair value gain on quoted shares	125
Fair value gain on investment properties	5,190
Interest income	358
Unallocated amounts:-	
Corporate expenses	(220)
Group's profit before income tax expense	5,944

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 October 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	8,939

A11. Capital Commitment

There was no capital commitments not provided for in the financial statement as at 31 October 2013 except an authorized and contracted to purchase property, plant and equipment of RM0.47 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
	31.10.13	31.10.12	31.10.13	31.10.12
Revenue				
Manufacturing & Trading	3,723	5,002	14,784	19,778
Property Investment and Investment Holdings	449	348	1,791	1,668
Joint Property Development	537	-	1,732	-
Plantation	-	-	-	-
Profit/(Loss) before tax				
Manufacturing & Trading	186	1,014	(1,108)	1,324
Property Investment and Investment Holdings	259	337	843	488
Joint Property Development	256	-	811	-
Plantation	(38)	-	(118)	-

For current fourth quarter under review, the manufacturing segments recorded a pretax profit of RM 0.186 million as compared to preceding year corresponding quarter of pretax profit of RM1.014 million. This was mainly due to sales slumped by RM1.279 million or 25.6%. This segment incurred pretax loss of RM1.108 million for the current year to date as compared to preceding year corresponding period of pretax profit of RM1.324 million mainly affected by the decline in sales amounted to RM 4.994 million or 25.3%.

The property investment and investment holdings segments recorded lower pretax profit of RM0.259 million during the quarter under review as compared to preceding year corresponding quarter of pretax profit of RM0.337 million. The current year to date pretax profit of RM 0.843 million was significantly higher by RM 0.355 million or 72.7% as compared to preceding year corresponding period of RM 0.488 million mainly due to lower maintenance expenses.

The joint property development segment achieved pretax profit of RM0.256 million and RM 0.811 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 fourth quarter ended 31 October 2013, the Group pretax profit jumped to RM5.919 million from a pretax profit of RM0.41 million registered in the immediate preceding quarter. The significant improvement was achieved from gross profit increased to 36.6% from 24.6% together with fair value adjustment gain of RM5.19 million from the investment properties revaluation, notwithstanding the sales dropped by 6.3% or RM0.318 million

B3. Next financial year's prospect

Barring unforeseen circumstances, the Boards foresee a challenging year ahead. Nevertheless the Directors endeavour 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	184	472
Prior Year	-	4
Deferred Taxation	(1,200)	(1,200)
Tax expense *	(1,016)	(724)

The effective tax rate for the current quarter under review and financial year ended 31 October 2013 was lower than the statutory tax rate of 25% mainly due to fair value gain on investment properties of RM5.10 million arose from revaluation during the quarter under review is not taxable and reversal of deferred tax from income statement.

B6. Status of corporate proposals

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

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	1,097	-	1,097
Long term	7,921	-	7,921
Total	9,018	-	9,018

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 1.5 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2013. The book closure date and payment date will be on 16 January 2014 and 28 January 2014 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)	6,935	6,668
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	18.96	18.23

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	Year-To-Date RM
(a) amortisation of deferred income	(5,235)	(20,939)
(b) amortisation of prepaid land lease payment	21,015	39,646
(c) auditors' remuneration	22,692	95,392
(d) depreciation of property, plant and equipment	506,233	2,169,566
(e) dividend received from quoted share	(9,253)	(21,278)
(f) (gain)/loss on disposal of property, plant and	-	(35,377)
(g) (gain)/loss on disposal of quoted shares	-	(41,898)
(h) interest income	(94,630)	(357,941)
(i) interest expense	98,746	418,249
(j) net fair value (gain)/loss on held for quoted shares	(33,282)	(124,980)
(k) realised (gain)/loss on foreign exchange	(66,545)	(322,446)
(l) rental expenses	14,400	54,300
(m) rental income	(37,113)	(153,652)
(n) unrealised (gain)/loss on foreign exchange	53,083	14,784
(o) reversal of impairment on doubtful receivables	(45,359)	(45,359)
(p) bad debts written off	45,359	45,359
(q) Allowance for slow moving inventories	87,297	87,297

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-Oct-13
	RM'000
Realised	32,646
Unrealised	13,403
	<hr/>
	46,049
Less: Consolidated adjustments	(18,694)
Retained earnings	<hr/>
	27,355

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur