

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

PART A1: QUARTERLY REPORT

* Quarterly report for the financial period ended

31-Jan-14

* Quarter

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

* Financial Year End

31-Oct-14

* 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-14

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Jan-14 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Jan-14 RM' 000	CURRENT YEAR TO DATE 31-Jan-14 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Jan-14 RM' 000
1	Revenue	4,670	4,464	4,670	4,464
2	Profit/(loss) before tax	107	(391)	107	(391)
3	Net Profit/(loss) for the period	38	(456)	38	(456)
4	Profit/(loss) after tax and minority interest	38	(456)	38	(456)
5	Basic earnings/(loss) per share (sen)	0.10	(1.25)	0.10	(1.25)
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)	1.8860		1.9000	

KUMPULAN H & L HIGH-TECH BERHAD (317805-V)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2014 (UNAUDITED)

		INDIVIDUAL PERIOD	
		3 MONTHS ENDED	
		31-Jan-14	31-Jan-13
		RM' 000	RM' 000
Revenue	B1	4,670	4,464
Operating Expenses		(4,745)	(4,981)
Other Income		285	237
Gain on derivative financial instrument		-	-
Investing Income		3	3
Finance costs		(106)	(114)
Profit/(Loss) before tax	B2	107	(391)
Tax expense	B5	(69)	(65)
Profit/(Loss) after tax for the period		38	(456)
Other Comprehensive Income:			
Exchange translation reserve		-	-
Other Comprehensive Income net of tax		-	-
Total Comprehensive Income/(Loss) for the period		38	(456)
Profit/(Loss) attributable to:			
Equity holders of the Company		38	(456)
Non-Controlling Interest		-	-
		38	(456)
Total comprehensive income/(Loss) attributable to:			
Equity holders of the Company		38	(456)
Non-Controlling Interest		-	-
		38	(456)
Earnings/(Loss) per share attributable to equity holders of the Company:	B14		
-Basic EPS (sen)		0.10	(1.25)
-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 2013 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 2014 (UNAUDITED)

	AS AT 31-Jan-14 (Unaudited) RM' 000	AS AT 31-Oct-13 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	14,670	14,923
Investment Properties	37,083	37,083
Land Held for Development	1,201	1,201
Biological assets	3,904	3,750
Prepaid Lease Payments	1,905	1,913
Other investment	165	165
	<u>58,928</u>	<u>59,035</u>
CURRENT ASSETS		
Property Development Costs	994	1,098
Inventories	2,941	2,948
Trade Receivables	3,273	2,951
Other Receivables, Deposit & Prepayments	1,236	1,179
Other Investments	786	769
Tax Recoverable	721	130
Cash & Cash Equivalents	14,463	15,776
	<u>24,414</u>	<u>24,851</u>
TOTAL ASSETS	<u>83,342</u>	<u>83,886</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	27,405	27,916
	<u>68,985</u>	<u>69,496</u>
Non-Controlling interest	-	-
TOTAL EQUITY	<u>68,985</u>	<u>69,496</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	7,733	7,921
Deferred Tax	2,524	2,524
	<u>10,257</u>	<u>10,445</u>
CURRENT LIABILITIES		
Short Term Borrowings	1,057	1,098
Trade Payables	646	553
Other Payables, Deposits & Accruals	1,834	2,238
Provision For Taxation	563	56
	<u>4,100</u>	<u>3,945</u>
TOTAL EQUITY AND LIABILITIES	<u>83,342</u>	<u>83,886</u>
NET ASSETS PER SHARE(RM)	1.8860	1.9000

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2013 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 2014 (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 2014							
Balance at 01 November 2013	40,612	4,522	0	(3,554)	27,916	69,496	0
Total comprehensive income:-							
Profit for the year	0	0	0	0	38	38	0
Transaction with owner:-							
Dividend paid	0	0	0	0	(549)	(549)	0
Balance at 31 January 2014	40,612	4,522	0	(3,554)	27,405	68,985	0
3 months ended							
31 January 2013							
Balance at 01 November 2012	40,612	4,522	0	(3,554)	22,150	63,730	0
Total comprehensive income:-							
Profit/(Loss) for the year	0	0	0	0	(456)	(456)	0
Transaction with owner:-							
Dividend paid	0	0	0	0	(732)	(732)	0
Balance at 31 January 2013	40,612	4,522	0	(3,554)	20,963	62,543	0

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2013 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 2014 (UNAUDITED)

	2014 3 MONTHS ENDED 31-Jan-2014 (RM'000)	2013 3 MONTHS ENDED 31-Jan-2013 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	107	(391)
ADJUSTMENTS:-		
NON CASH ITEMS	502	538
NON OPERATING ITEMS (INVESTING/FINANCING)	13	0
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	622	147
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	7	397
RECEIVABLES	(380)	382
PROPERTY DEVELOPMENT COST	104	86
PAYABLES	(310)	398
CASH GENERATED FROM OPERATIONS	43	1,409
TAX REFUND	-	27
TAX PAID	(153)	(106)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(111)	1,331
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(154)	(324)
INTEREST RECEIVED	90	87
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(241)	(21)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	17	-
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	3	2
OTHER INVESTMENT	(33)	798
PURCHASE OF INVESTMENT PROPERTY	-	(4)
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES	(318)	539
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(229)	(250)
INTEREST PAID	(106)	(114)
DIVIDEND PAID	(549)	-
NET USED IN FINANCING ACTIVITIES	(884)	(364)
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	(1,313)	1,506
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,776	16,314
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,463	17,820

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 October 2013 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 2014 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 2013. 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 2013.

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 January 2014 and 31 October 2013, which are within the Group's objectives for capital management, are as follows:

Kumpulan H & L High-Tech Berhad (317805-V)
Notes to quarterly report for the quarter ended 31 January 2014

As At	31-Jan-14	31-Oct-13 (Audited)
	RM'000	RM'000
Total borrowings	8,790	9,019
Total equity	68,985	69,496
Total capital	77,775	78,515
Gearing Ratio	12.7%	13.0%

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 March 2014. 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.

There were no changes to the treasury shares during the quarter under review.

A6. Dividends paid

An interim single tier dividend in respect of the financial year ended 31 October 2013 of 1.5 sen per share of RM1.00 each for a total ordinary shares of 36,576,525 amounted to RM548,648 has been paid during the quarter under review.

A7. Operating segment information

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

Segment information for the financial period ended 31 January 2014	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	3,914	453	303	-	4,670
Intersegment revenue	-	-	-	-	-
Reportable segment profit / (loss)	(134)	179	95	(45)	95

<u>Reconciliation of profit or loss</u>	RM '000
Total profit for reportable segments	95
Investment income	3
Net fair value gain on held for quoted shares	(16)
Interest income	90
Unallocated amounts:-	
Corporate expenses	(65)
Group's profit before income tax expense	107

Kumpulan H & L High-Tech Berhad (317805-V)

Notes to quarterly report for the quarter ended 31 January 2014

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 2014 except as follow:-

	31-Oct-13 (Audited) RM '000	Changes RM '000	31-Jan-14 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	8,939	-202	8,737

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

A11. Capital Commitment

There was no capital commitments not provided for in the financial statement as at 31 January 2014.

* End of Part A *

Kumpulan H & L High-Tech Berhad (317805-V)

Notes to quarterly report for the quarter ended 31 January 2014

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	
	Current	Preceding
	year 31.01.14	year corresponding quarter 31.01.13
Revenue		
Manufacturing & Trading	3,914	3,783
Property Investment	453	408
Property Development	303	273
Plantation	-	-
Profit/(Loss) before tax		
Manufacturing & Trading	(134)	(694)
Property Investment	179	128
Property Development	95	108
Plantation	(45)	-

For current quarter under review,

The Manufacturing segments incurred lower pretax loss of RM0.134 million as compared to preceding year corresponding quarter of RM0.694 million. This improvement was mainly due to revenue increased by RM0.131 million and improved gross profit margin.

The Property Investment segments recorded higher pretax profit of RM0.179 million during the quarter under review as compared to preceding year corresponding quarter of RM0.051 million mainly due to higher rental income and slightly lower maintenance expenses.

The property development segment achieved a lower pretax profit of RM0.095 million as compared to preceding year corresponding quarter from the initial sales of 64 houses out of the total of 66 houses launched under the 21% profit sharing joint venture project.

The Plantation segment has not contributed any revenue as the trees are still immature.

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

For the quarter ended 31 January 2014, the Group's pretax profit when compared to the immediate preceding quarter plunged to RM0.107 million from RM5.919 million.

The sharp fall was due to operation expenses increased by RM0.326 million or 25.5% together with other income plunged by RM5.178 million due to a revaluation gain recognized in immediate preceding quarter.

Kumpulan H & L High-Tech Berhad (317805-V)

Notes to quarterly report for the quarter ended 31 January 2014

B3. Current financial year's prospect

Barring unforeseen circumstances, the Boards foresee a challenging year ahead for the remaining quarters for current financial year. Nevertheless the Directors endeavor to maintain current performance.

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	69	69
Prior Year	-	-
Deferred Taxation	-	-
Tax expense *	69	69

The effective tax rate for financial period ended 31 January 2014 was higher than the statutory tax rate of 25% mainly due to loss incurred by certain subsidiaries during the quarter under review.

B6. Status of corporate proposals

There was no corporate proposal announced but not completed as at 31 January 2014.

B7. Group borrowings and debt securities

The group's borrowings as at 31 January 2014 as follows:-

RM '000	Secured	Unsecured	Total
Short term	1,057	-	1,057
Long term	7,733	-	7,733
Total	8,790	-	8,790

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.

Kumpulan H & L High-Tech Berhad (317805-V)
Notes to quarterly report for the quarter ended 31 January 2014

B9. Proposed Dividends

The Board of Directors proposed 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 2013 and has been approved by the shareholders during the Annual General Meeting. The book closure date and payment date will be on 8 April 2014 and 23 April 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)	38	38
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	0.10	0.10

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 2013 did not contain any qualification.

Kumpulan H & L High-Tech Berhad (317805-V)

Notes to quarterly report for the quarter ended 31 January 2014

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;	(90)	(90)
(b) other income including investment income;	(3)	(3)
(c) interest expense;	106	106
(d) depreciation of property, plant and equipment	494	494
(e) amortisation of deferred income	0	0
(f) amortisation of prepaid land lease payment	7	7
(g) auditors' remuneration	21	21
(h) realised (gain)/loss on foreign exchange	(21)	(21)
(i) unrealised (gain)/loss on foreign exchange	(90)	(90)
(j) rental expenses	14	14
(k) rental income	(37)	(37)
(l) net fair value (gain)/loss on held for quoted shares	16	16

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-14 RM'000
Realised	35,053
Unrealised	11,696
	<u>46,749</u>
Less: Consolidated adjustments	(19,344)
Retained earnings	<u>27,405</u>

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur