

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

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 9 MONTHS ENDED	
		31-Jul-14 RM' 000	31-Jul-13 RM' 000	31-Jul-14 RM' 000	31-Jul-13 RM' 000
Revenue	B1	5,912	4,106	16,181	13,598
Operating Expenses		(4,899)	(4,359)	(14,380)	(14,279)
Other Income		268	349	832	1,014
Gain on derivative financial instrument		-	-	-	-
Investing Income		1	7	13	12
Finance costs		(93)	(97)	(291)	(320)
Profit/(Loss) before tax	B2	1,189	6	2,355	25
Tax expense	B5	(355)	(89)	(517)	(292)
Profit/(Loss) after tax for the period		834	(83)	1,838	(267)
Other Comprehensive Income:					
Exchange translation reserve		-	-	-	-
Other Comprehensive Income net of tax		-	-	-	-
Total Comprehensive Income/(Loss) for the period		834	(83)	1,838	(267)
Profit/(Loss) attributable to:					
Equity holders of the Company		834	(83)	1,838	(267)
Non-Controlling Interest		-	-	-	-
		834	(83)	1,838	(267)
Total comprehensive income/(Loss) attributable to:					
Equity holders of the Company		834	(83)	1,838	(267)
Non-Controlling Interest		-	-	-	-
		834	(83)	1,838	(267)
Earnings/(Loss) per share attributable to equity holders of the Company:	B14				
-Basic EPS (sen)		2.28	(0.23)	5.03	(0.73)
-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 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 JULY 2014 (UNAUDITED)

	AS AT 31-Jul-14 (Unaudited) RM' 000	AS AT 31-Oct-13 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	14,417	14,923
Investment Properties	37,444	37,083
Land Held for Development	1,201	1,201
Biological assets	4,329	3,750
Prepaid Lease Payments	1,888	1,913
Other investment	165	165
	<u>59,444</u>	<u>59,035</u>
CURRENT ASSETS		
Property Development Costs	635	1,098
Inventories	3,215	2,948
Trade Receivables	3,594	2,951
Other Receivables, Deposit & Prepayments	1,194	1,179
Other Investments	720	769
Tax Recoverable	380	130
Cash & Cash Equivalents	14,623	15,776
	<u>24,361</u>	<u>24,851</u>
TOTAL ASSETS	<u>83,805</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	28,474	27,916
TOTAL EQUITY	<u>70,054</u>	<u>69,496</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	7,245	7,921
Deferred Tax	2,524	2,524
	<u>9,769</u>	<u>10,445</u>
CURRENT LIABILITIES		
Short Term Borrowings	983	1,098
Trade Payables	894	553
Other Payables, Deposits & Accruals	1,606	2,238
Provision For Taxation	499	56
	<u>3,982</u>	<u>3,945</u>
TOTAL EQUITY AND LIABILITIES	<u>83,805</u>	<u>83,886</u>
NET ASSETS PER SHARE(RM)	1.9153	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 JULY 2014 (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)	
9 months ended								
31 July 2014								
Balance at 01 November 2013	40,612	4,522	0	(3,554)	27,916	69,496	0	69,496
<i>Total comprehensive income:-</i>								
Profit for the year	0	0	0	0	1,838	1,838	0	1,838
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	(1,280)	(1,280)	0	(1,280)
Balance at 31 July 2014	40,612	4,522	0	(3,554)	28,474	70,054	0	70,054
9 months ended								
31 July 2013								
Balance at 01 November 2012	40,612	4,522	0	(3,554)	22,150	63,730	0	63,730
<i>Total comprehensive income:-</i>								
Profit/(Loss) for the year	0	0	0	0	(267)	(267)	0	(267)
<i>Transaction with owner:-</i>								
Dividend paid	0	0	0	0	(1,463)	(1,463)	0	(1,463)
Balance at 31 July 2013	40,612	4,522	0	(3,554)	20,420	62,000	0	62,000

(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 JULY 2014 (UNAUDITED)

	2014 9 MONTHS ENDED 31-Jul-2014 (RM'000)	2013 9 MONTHS ENDED 31-Jul-2013 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	2,355	25
ADJUSTMENTS:-		
NON CASH ITEMS	1,503	1,667
NON OPERATING ITEMS (INVESTING/FINANCING)	(134)	(125)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	3,724	1,567
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(267)	870
RECEIVABLES	(659)	951
PROPERTY DEVELOPMENT COST	463	410
PAYABLES	(291)	743
CASH GENERATED FROM OPERATIONS	2,970	4,541
TAX REFUND	93	43
TAX PAID	(418)	(388)
	-	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,645	4,196
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(579)	(915)
INTEREST RECEIVED	256	263
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(949)	(458)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	17	105
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	13	11
PROCEED FROM DISPOSAL FOR HELD FOR TRADING INVESTMENT SECURITIES	-	669
OTHER INVESTMENT	166	798
PURCHASE OF INVESTMENT PROPERTY	(361)	(1,961)
NET CASH USED IN INVESTING ACTIVITIES	(1,437)	(1,488)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(790)	(771)
INTEREST PAID	(291)	(319)
DIVIDEND PAID	(1,280)	(1,463)
NET USED IN FINANCING ACTIVITIES	(2,361)	(2,553)
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	(1,153)	155
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,776	16,314
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,623	16,469

(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.)

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Notes to quarterly report for the quarter ended 31 July 2014

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 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 borrowings to total equity.

The gearing ratios as at 31 July 2014 and 31 October 2013, which are within the Group's objectives for capital management, are as follows:

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Notes to quarterly report for the quarter ended 31 July 2014

As At	31-Jul-14	31-Oct-13 (Audited)
	RM'000	RM'000
Total borrowings	8,228	9,019
Total equity	70,054	69,496
Total capital	78,282	78,515
Gearing Ratio	11.7%	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

There were no dividends 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 July 2014	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	13,425	1,401	1,355	-	16,181
Intersegment revenue	-	-	-	-	-
Reportable segment profit / (loss)	993	713	608	(163)	2,151

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	2,151
Investment income	13
Gain on disposal of quoted investments	(13)
Net fair value gain on held for quoted shares	129
Interest income	256
Unallocated amounts:-	
Corporate expenses	(181)
Group's profit before income tax expense	2,355

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

Notes to quarterly report for the quarter ended 31 July 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 July 2014 except as follow:-

	31-Oct-13 (Audited) RM '000	Changes RM '000	31-Jul-14 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	8,939	-711	8,228

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 July 2014.

* End of Part A *

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

Notes to quarterly report for the quarter ended 31 July 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		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year quarter	Current year quarter
	31-Jul-14	31-Jul-13	31-Jul-14	31-Jul-13
Revenue				
Manufacturing & Trading	4,514	3,949	13,425	11,061
Property Investment	487	446	1,401	1,342
Property Development	911	633	1,355	1,195
Plantation	-	-	-	-
Profit / (Loss) before tax				
Manufacturing & Trading	371	(227)	993	(1,294)
Property Investment	304	229	713	584
Property Development	491	326	608	555
Plantation	(45)	(30)	(163)	(80)

For current quarter under review,

The Manufacturing segments achieved pretax profit of RM0.371 million as compared to a pretax loss in preceding year corresponding quarter of RM0.227 million. This significant turnaround was mainly due to revenue increased by RM0.565 million and improved gross profit margin.

The Property Investment segments recorded a higher pretax profit of RM0.304 million during the quarter under review as compared to preceding year corresponding quarter of RM0.229 million mainly due to higher rental income.

The property development segment achieved a stronger pretax profit of RM0.491 million as compared to preceding year corresponding quarter of RM0.326 million 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 current quarter ended 31 July 2014 the Group recorded a pretax profit of RM1.189 million compared to pretax profit of RM1.059 million registered in the immediate preceding quarter. The slight improvement result of 12.3% or RM0.130 million was derived from increased turnover of 5.6% or RM0.313 million.

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

Notes to quarterly report for the quarter ended 31 July 2014

B3. Current financial year's prospect

Barring unforeseen circumstances, the Boards foresee the remaining quarters for current financial year is challenging. 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	337	499
Prior Year	18	18
Deferred Taxation	-	-
Tax expense *	355	517

The effective tax rate for the financial period ended 31 July 2014 was lower than the statutory tax rate of 25% mainly due to availability of unabsorbed losses allowance 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 July 2014.

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	983	-	983
Long term	7,245	-	7,245
Total	8,228	-	8,228

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 July 2014

B9. Proposed Dividends

There were no proposed dividends 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)	834	1,838
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	2.28	5.03

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.

B12. The profit / (loss) after tax was derived after charging / (crediting) the following:-

No		Current Quarter RM'000	Year-To-Date RM'000
1)	interest income;	(84)	(256)
2)	other income including investment income;	(1)	(13)
3)	interest expense;	93	291
4)	depreciation of property, plant and equipment	497	1,478
5)	amortisation of prepaid land lease payment	8	25
6)	auditors' remuneration	22	64
7)	realised (gain)/loss on foreign exchange	55	(2)
8)	unrealised (gain)/loss on foreign exchange	45	29
9)	rental expenses	11	37
10)	rental income	(41)	(120)
11)	net fair value (gain)/loss on held for quoted shares	(65)	(129)
12)	(Gain)/loss on disposal of property, plant and equipment	(22)	(39)
13)	(Gain)/loss on disposal of quoted investment	13	13

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-14
	RM'000
Realised	36,252
Unrealised	11,796
	<hr/>
	48,048
Less: Consolidated adjustments	(19,574)
Retained earnings	<hr/>
	28,474

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur