

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

PART A1: QUARTERLY REPORT

* Quarterly report for the financial period ended

31-Oct-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-Oct-14

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31-Oct-14 RM' 000	PRECEDING YEAR CORRESPONDING QUARTER 31-Oct-13 RM' 000	CURRENT YEAR TO DATE 31-Oct-14 RM' 000	PRECEDING YEAR CORRESPONDING PERIOD 31-Oct-13 RM' 000
1	Revenue	5,044	4,710	21,225	18,308
2	Profit before tax	4,866	5,919	7,221	5,944
3	Net Profit for the period	3,950	6,935	5,788	6,668
4	Profit after tax and minority interest	3,950	6,935	5,788	6,668
5	Basic earnings per share (sen)	10.80	18.96	15.82	18.23
6	Proposed / Declared Dividend per share - cash (sen)	1.50	1.50	3.50	3.50

		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)	2.0452	1.9000

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 OCTOBER 2014 (UNAUDITED)

		INDIVIDUAL PERIOD 3 MONTHS ENDED		CUMULATIVE PERIOD 12 MONTHS ENDED	
		31-Oct-14 RM' 000	31-Oct-13 RM' 000	31-Oct-14 RM' 000	31-Oct-13 RM' 000
Revenue	B1	5,044	4,710	21,225	18,308
Operating Expenses		(4,836)	(4,165)	(19,216)	(18,444)
Other Income		4,741	5,463	5,573	6,477
Gain on derivative financial instrument		-	-	-	-
Investing Income		8	9	21	21
Finance costs		(91)	(98)	(382)	(418)
Profit before tax	B2	4,866	5,919	7,221	5,944
Tax expense	B5	(916)	1,016	(1,433)	724
Profit after tax		3,950	6,935	5,788	6,668
Other Comprehensive Income:					
Exchange translation reserve		-	-	-	-
Fair value reserve		804	-	804	-
Other Comprehensive Income net of tax		804	-	804	-
Total Comprehensive Income		4,754	6,935	6,592	6,668
Profit/(Loss) attributable to:					
Equity holders of the Company		3,950	6,935	5,788	6,668
Non-Controlling Interest		-	-	-	-
		3,950	6,935	5,788	6,668
Total comprehensive income attributable to:					
Equity holders of the Company		4,754	6,935	6,592	6,668
Non-Controlling Interest		-	-	-	-
		4,754	6,935	6,592	6,668
Earnings per share attributable to equity holders of the Company:	B14				
-Basic EPS (sen)		10.80	18.96	15.82	18.23
-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 OCTOBER 2014 (UNAUDITED)

	AS AT 31-Oct-14 (Unudited) RM' 000	AS AT 31-Oct-13 (Audited) RM' 000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant & Equipment	15,322	14,923
Investment Properties	42,060	37,083
Land Held for Development	1,201	1,201
Biological assets	4,447	3,750
Prepaid Lease Payments	1,879	1,913
Other investment	165	165
	<u>65,074</u>	<u>59,035</u>
CURRENT ASSETS		
Property Development Costs	535	1,098
Inventories	3,224	2,948
Trade Receivables	3,667	2,951
Other Receivables, Deposit & Prepayments	1,146	1,179
Other Investments	658	769
Tax Recoverable	3	130
Cash & Cash Equivalents	14,885	15,776
	<u>24,118</u>	<u>24,851</u>
TOTAL ASSETS	<u>89,192</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	5,326	4,522
Retained Earnings	32,424	27,916
TOTAL EQUITY	<u>74,808</u>	<u>69,496</u>
NON-CURRENT LIABILITIES		
Long Term Borrowings	6,954	7,921
Deferred Tax	3,212	2,524
	<u>10,166</u>	<u>10,445</u>
CURRENT LIABILITIES		
Short Term Borrowings	1,021	1,098
Trade Payables	617	553
Other Payables, Deposits & Accruals	2,182	2,238
Provision For Taxation	398	56
	<u>4,218</u>	<u>3,945</u>
TOTAL EQUITY AND LIABILITIES	<u>89,192</u>	<u>83,886</u>
NET ASSETS PER SHARE(RM)	2.0452	1.9000

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with 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 OCTOBER 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)	
12 months ended								
31 October 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	804	0	0	5,788	6,592	0	
Transaction with owner:-								
Dividend paid	0	0	0	0	(1,280)	(1,280)	0	
Balance at 31 October 2014	40,612	5,326	0	(3,554)	32,424	74,808	0	
12 months ended								
31 October 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	6,668	6,668	0	
Transaction with owner:-								
Dividend paid	0	0	0	0	(1,463)	(1,463)	0	
Balance at 31 October 2013	40,612	4,522	0	(3,554)	27,355	68,935	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 OCTOBER 2014 (UNAUDITED)

	2014 12 MONTHS ENDED 31-Oct-2014 (RM'000)	2013 12 MONTHS ENDED 31-Oct-2014 (RM'000)
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
PROFIT BEFORE TAXATION	7,221	5,943
ADJUSTMENTS:-		
NON CASH ITEMS	(2,620)	(3,040)
NON OPERATING ITEMS (INVESTING/FINANCING)	8	(163)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,609	2,740
<u>CHANGES IN WORKING CAPITAL</u>		
INVENTORIES	(276)	877
RECEIVABLES	(683)	809
PROPERTY DEVELOPMENT COST	563	594
PAYABLES	10	255
CASH GENERATED FROM OPERATIONS	4,223	5,275
TAX REFUND	108	136
TAX PAID	(602)	(534)
NET CASH GENERATED FROM OPERATING ACTIVITIES	3,729	4,877
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
ACQUISITION OF BIOLOGICAL ASSET	(698)	(1,293)
INTEREST RECEIVED	346	358
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(1,340)	(898)
PROCEED FROM DISPOSAL OF PROPERTY, PLANT AND MACHINERIES	64	105
DIVIDEND RECEIVED FROM QUOTED INVESTMENT	21	20
PURCHASE OF QUOTED SHARES	-	(44)
PROCEED FROM DISPOSAL FOR HELD FOR TRADING INVESTMENT SECURITIES	-	669
OTHER INVESTMENT	54	798
PURCHASE OF INVESTMENT PROPERTY	(361)	(2,749)
NET CASH USED IN INVESTING ACTIVITIES	(1,914)	(3,034)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
REPAYMENT OF BANK BORROWING	(1,044)	(1,042)
DRAWDOWN OF TERM LOAN	-	500
INTEREST PAID	(382)	(417)
DIVIDEND PAID	(1,280)	(1,463)
NET CASH USED IN FINANCING ACTIVITIES	(2,706)	(2,422)
CURRENCY TRANSLATION DIFFERENCE	-	-
NET (DECREASE) / INCREASED IN CASH AND CASH EQUIVALENTS	(891)	(579)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,776	16,314
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14,885	15,735

(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.)

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

As At	31-Oct-14	31-Oct-13 (Audited)
	RM'000	RM'000
Total borrowings	7,975	9,019
Total equity	74,808	69,496
Total capital	82,783	78,515
Gearing Ratio	10.7%	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 October 2014	Manufacturing & Trading	Property Investment	Joint Property Development	Plantation	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue from external customer	17,682	1,897	1,647	-	21,226
Intersegment revenue	-	-	-	-	-
Reportable segment profit / (loss)	1,116	995	689	(255)	2,545

Reconciliation of profit or loss

	RM '000
Total profit for reportable segments	2,545
Investment income	21
Gain on disposal of quoted investments	4
Net fair value gain on held for quoted shares	(61)
Fair value adjustment on investment properties	4,616
Interest income	346
Unallocated amounts:-	
Corporate expenses	(250)
Group's profit before income tax expense	7,221

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

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

	31-Oct-13 (Audited) RM '000	Changes RM '000	31-Oct-14 (Unaudited) RM '000
Total limit	11,500	0	11,500
Total utilised	8,939	-964	7,975

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 October 2014.

* End of Part A *

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

Notes to quarterly report for the quarter ended 31 October 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-Oct-14	31-Oct-13	31-Oct-14	31-Oct-13
Revenue				
Manufacturing & Trading	4,257	3,723	17,682	14,784
Property Investment	496	449	1,897	1,791
Property Development	292	537	1,647	1,732
Plantation	-	-	-	-
Profit / (Loss) before tax				
Manufacturing & Trading	123	186	1,116	(1,108)
Property Investment	282	259	995	843
Property Development	81	256	689	811
Plantation	(92)	(38)	(255)	(118)

For current quarter under review,

The Manufacturing segments achieved a lower pretax profit of RM0.123 million as compared to a pretax profit in preceding year corresponding quarter of RM0.186 million. This was mainly due lower gross profit margin and higher operating expenses.

The Property Investment segments recorded a higher pretax profit of RM0.282 million during the quarter under review as compared to preceding year corresponding quarter of RM0.259 million mainly due to higher rental income.

The property development segment achieved a lower pretax profit of RM0.081 million as compared to preceding year corresponding quarter of RM0.256 million, from the initial sales of 64 houses out of the total of 66 houses launched under the 21% profit sharing joint venture project, was mainly due to reduction in progress payment collection.

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 fourth quarter ended 31 October 2014, the Group's pretax profit jumped to RM4.866 million from a pretax of RM1.189 million recorded in the immediate preceding quarter. The significant improvement was derived from fair value adjustment gain of RM4.616 million, despite sales dropped by 14.7%, gross profit margin declined to 30.1% from 36% and operating expenses increased by 16.1% or RM0.195 million.

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

Notes to quarterly report for the quarter ended 31 October 2014

B3. Current financial year's prospect

Barring unforeseen circumstances, the Boards foresee the next 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	415	914
Prior Year	31	49
Deferred Taxation	471	471
Tax expense *	917	1,434

The effective tax rate for the financial period ended 31 October 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 October 2014.

B7. Group borrowings and debt securities

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

RM '000	Secured	Unsecured	Total
Short term	1,021	-	1,021
Long term	6,954	-	6,954
Total	7,975	-	7,975

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 October 2014

B9. Proposed Dividends

The Board of Directors proposed an interim single-tier dividend of 1.5 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 October 2014. The book closure date and payment date will be on 19 January 2015 and 4 February 2015 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 attributable to equity holders of the Company (RM '000)	3,950	5,788
Weighted average number of ordinary shares ('000)	36,577	36,577
Basic earning/(loss) per share (sen)	10.80	15.82

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 October 2014

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;	(90)	(346)
2)	other income including investment income;	(8)	(21)
3)	interest expense;	91	382
4)	depreciation of property, plant and equipment	483	1,961
5)	amortisation of prepaid land lease payment	8	33
6)	auditors' remuneration	23	87
7)	realised (gain)/loss on foreign exchange	46	44
8)	unrealised (gain)/loss on foreign exchange	(18)	11
9)	rental expenses	3	40
10)	rental income	(41)	(161)
11)	net fair value (gain)/loss on held for quoted shares	190	61
12)	(Gain)/loss on disposal of property, plant and equipment	(25)	(64)
13)	Fair value gain on investment properties	(4,616)	(4,616)
14)	(Gain)/loss on disposal of quoted investment	(17)	(4)

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-14
	RM'000
Realised	35,628
Unrealised	16,240
	<hr/>
	51,868
Less: Consolidated adjustments	(19,444)
Retained earnings	<hr/>
	32,424

BY ORDER OF THE BOARD

Ng Bee Lian
Company Secretary

Kuala Lumpur