



# Hong Leong Industries

A Member of the Hong Leong Group

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2010

The figures have not been audited

### CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
<b>Revenue</b>	772,575	671,957	772,575	671,957
Cost of sales	(654,264)	(568,683)	(654,264)	(568,683)
<b>Gross profit</b>	118,311	103,274	118,311	103,274
Operating expenses	(37,606)	(40,324)	(37,606)	(40,324)
Other operating income	2,666	644	2,666	644
<b>Operating profit</b>	83,371	63,594	83,371	63,594
Interest income	849	691	849	691
Finance costs	(7,114)	(6,071)	(7,114)	(6,071)
Share of profit of associated companies	7,170	9,397	7,170	9,397
<b>Profit before taxation</b>	84,276	67,611	84,276	67,611
Taxation	(13,746)	(10,949)	(13,746)	(10,949)
<b>Profit for the period</b>	70,530	56,662	70,530	56,662
<b>Profit attributable to:</b>				
Equity holders of the parent	45,502	40,522	45,502	40,522
Minority interests	25,028	16,140	25,028	16,140
<b>Profit for the period</b>	70,530	56,662	70,530	56,662
<b>Earnings per ordinary share (sen) :-</b>				
(a) Basic	17.40	15.49	17.40	15.49
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2010.

HLIB/1

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER**  
**ENDED 30 SEPTEMBER 2010**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE**  
**QUARTER ENDED 30 SEPTEMBER 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
<b>Profit for the period</b>	70,530	56,662	70,530	56,662
Foreign currency translation differences for foreign operations	(17,320)	(5,039)	(17,320)	(5,039)
<b>Total comprehensive income for the period</b>	<b>53,210</b>	<b>51,623</b>	<b>53,210</b>	<b>51,623</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the parent	31,163	36,530	31,163	36,530
Minority interests	22,047	15,092	22,047	15,092
<b>Total comprehensive income for the period</b>	<b>53,210</b>	<b>51,622</b>	<b>53,210</b>	<b>51,622</b>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2010.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER**  
**2010**

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2010 RM'000	30/06/2010 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	1,334,292	1,318,992
Investments in associated companies	380,392	382,946
Other investments	60	60
Intangible assets	436,919	447,328
	<u>2,151,663</u>	<u>2,149,326</u>
<b>Current assets</b>		
Inventories	220,202	190,225
Trade and other receivables	524,956	516,685
Tax recoverable	11,226	11,529
Assets held for sale	14,670	9,342
Cash and cash equivalents	448,573	429,160
	<u>1,219,627</u>	<u>1,156,941</u>
<b>TOTAL ASSETS</b>	<u>3,371,290</u>	<u>3,306,267</u>
<b>Equity attributable to equity holders of the parent</b>		
Share capital	140,573	140,573
Reserves	1,340,385	1,311,096
Treasury shares - at cost	(63,318)	(63,318)
	<u>1,417,640</u>	<u>1,388,351</u>
<b>Minority interests</b>	659,013	638,094
<b>TOTAL EQUITY</b>	<u>2,076,653</u>	<u>2,026,445</u>
<b>Non-current liabilities</b>		
Borrowings (unsecured)	358,122	371,768
Deferred tax liabilities	24,555	23,043
Retirement benefits	13,302	12,967
	<u>395,979</u>	<u>407,778</u>
<b>Current liabilities</b>		
Trade and other payables	495,027	469,788
Borrowings (unsecured)	384,181	387,504
Derivative liabilities	936	-
Taxation	18,514	14,752
	<u>898,658</u>	<u>872,044</u>
<b>TOTAL LIABILITIES</b>	<u>1,294,637</u>	<u>1,279,822</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,371,290</u>	<u>3,306,267</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	5.42	5.31

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2010

**HONG LEONG INDUSTRIES BERHAD (5486-F)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2010**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

	Attributable to equity holders of the parent						Minority interests RM'000	Total equity RM'000		
	Share capital RM'000	Share premium RM'000	Non-distributable Other reserves RM'000	Reserve for own shares RM'000	Share option reserve RM'000	Treasury shares RM'000			Distributable Retained profits RM'000	Total RM'000
<b>Current year-to date ended</b>										
<b>30 September 2010</b>										
<b>At 1 July 2010</b>	140,573	586,926	(57,748)	(54,374)	442	(63,318)	835,850	1,388,351	638,094	2,026,445
Total comprehensive income for the period	-	-	(14,339)	-	-	-	45,502	31,163	22,047	53,210
Purchase of Trust Share by a subsidiary	-	-	(1,962)	-	-	-	-	(1,962)	(1,236)	(3,198)
Share-based payments	-	-	88	-	-	-	-	88	108	196
<b>At 30 September 2010</b>	140,573	586,926	(73,961)	(54,374)	442	(63,318)	881,352	1,417,640	659,013	2,076,653



**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED**  
**30 SEPTEMBER 2010**

	Current Year- To-Date 30/09/2010 RM'000	Preceding Year Corresponding Period 30/09/2009 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	84,276	67,611
Adjustments for:-		
Share of profit of associated companies	(7,170)	(9,397)
Depreciation and amortisation	56,438	60,831
Non cash items	(217)	6,519
Net financing costs	6,266	5,380
Operating profit before changes in working capital	139,593	130,944
Changes in working capital		
Net change in current assets	(45,396)	(49,452)
Net change in current liabilities	29,472	45,873
Taxation paid	(8,169)	(4,662)
Net financing costs paid	(6,375)	(5,380)
Other operating income received	1,408	5,150
<b>Net cash generated from operating activities</b>	<b>110,533</b>	<b>122,473</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(73,593)	(79,953)
<b>Net cash used in investing activities</b>	<b>(73,593)</b>	<b>(79,953)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of borrowings	(12,614)	(2,050)
Purchase of Trust Shares	(3,198)	-
<b>Net cash used in financing activities</b>	<b>(15,812)</b>	<b>(2,050)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>21,128</b>	<b>40,470</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>429,160</b>	<b>261,008</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(1,715)</b>	<b>(318)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>448,573</b>	<b>301,160</b>
Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:		
	30/09/2010 RM'000	30/09/2009 RM'000
Deposits, cash and bank balances	448,597	301,174
Bank overdraft	(24)	(14)
	<b>448,573</b>	<b>301,160</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2010.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

---

**The figures have not been audited**

**1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2010.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2010 except for the changes in accounting policies and presentation resulting from the adoption of relevant FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial periods beginning on or after 1 January 2010, 1 March 2010 and 1 July 2010 respectively.

FRS 4 and IC Interpretations 12,13,14 and 15 are not applicable to the Group. Other than as stated below, the adoption of the other FRSs, Amendments to FRSs and IC Interpretations do not has any material impact on the financial statements of the Group:

**a)FRS 101: Presentation of Financial Statements (revised)**

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. The revised FRS also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements.

The group has adopted the two statements format for presentation of comprehensive income. Comparative information has been re-presented to be in conformity with the revised FRS. The revised FRS does not has any impact on the financial position and results of the Group.

**b)FRS 139: Financial Instruments: Recognition and Measurement and Amendments to FRS 139: Financial Instruments: Recognition and Measurement**

The Group classified its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the assets and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

The Group's non-current investments other than investments in subsidiaries, associates and jointly controlled entities were previously stated at cost less impairment losses. Following the adoption of FRS 139, these investments are now being classified as available-for-sale financial assets which are not for trading. Subsequent to initial recognition, they are measured at fair value and changes therein, other than for impairment losses, and foreign exchanges gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to the income statement.

Prior to the adoption for FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now recognised and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognised in the income statement at each reporting date.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

The figures have not been audited

**b)FRS 139: Financial Instruments: Recognition and Measurement and Amendments to FRS 139:  
 Financial Instruments: Recognition and Measurement (con'd)**

The financial impact on the financial statements of the Group resulting from the adoption of FRS 7 and FRS 139 upon first adoption of these FRSs as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* are not disclosed by virtue of the exemptions given in the respective FRSs.

**c)Amendments to FRS 117 Lease**

The Group has adopted the Amendment to FRS 117. The Group has reassessed and determined that all leasehold land which are in substance finance lease and has reclassified the leasehold land to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which has been made retrospectively in accordance with the transitional provision of the Amendment. The reclassification does not have any impact to the financial results of the Group for the current period and corresponding period of the previous financial year.

The following comparative figures has been restated following the adoption of the Amendment to FRS 117;-

Balance Sheet as at 30 June 2010:	As previously reported RM'000	Effect of adopting the Amendment to FRS 117 RM'000	As restated RM'000
Prepaid lease payments	35,291	(35,291)	-
Property, plant and equipment	1,283,701	35,291	1,318,992

The Group plans to adopt from the financial year beginning 1 July 2011, those FRSs, Amendments to FRSs and IC Interpretations that will be effective for the annual periods beginning on or after 1 January 2011. The first adoption of those FRSs, Amendments to FRSs and IC Interpretations are not expected to have any material financial impact on the financial statements of the Group.

**2. Qualification of audit report of the preceding annual financial statements**

The audit report for the preceding annual financial statements was not qualified.

**3. Seasonality or cyclicity of interim operations**

There has been no material seasonal or cyclical factor affecting the results of the quarter under review.

**4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence**

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the financial year-to-date.

**5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years**

There were no changes in estimates of amounts reported in the prior financial years.



**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

The figures have not been audited

**6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

- (a) There were no shares bought back during the quarter under review and financial year-to-date. The total number of shares bought back as at 30 September 2010 was 8,432,500 shares and the share are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.
- (b) The Group has previously granted 2,000,000 conditional incentive share options to eligible executives of the Group ("Option Holders") pursuant to the Executive Share Option Scheme of the Company which was established on 23 January 2006 ("ESOS"), subject to the achievement of certain performance criteria over an option performance period ("Options").

At the end of the option performance period, the Option Holders fulfilled the performance criteria and accordingly, 2,000,000 ordinary shares of RM0.50 each in the Company were vested to the Option Holders in the preceding financial year ("Vested Options"). During the previous financial year, 1,600,000 Vested Options has lapsed. As at 30 September 2010, the balance of the Vested Options stood at 400,000.

There were no share options granted during the quarter under review and financial year-to-date.

- (c) There were no additional shares purchased by the trust set up for the ESOS ("ESOS Trust") during the quarter under review. The total number of shares purchased by the ESOS Trust ("Trust Shares") as at 30 September 2010 was 11,139,800 shares.

There were no issuance of shares, share cancellation, resale of treasury shares nor repayment of debt or equity securities during the quarter under review and financial year-to-date.

**7. Dividend paid**

There were no dividend paid during the financial year-to-date.

**8. Operating Segments**

The Group's segmental report for the financial year-to-date is as follows:-

	Semi- conductor RM'000	Consumer products RM'000	Total RM'000
<b>Segment profit</b>	36,099	55,532	91,631
Included in the measure of segment profit are:			
Revenue from external customers	370,450	401,512	771,962
Depreciation and amortisation	48,964	7,388	56,352
<b>Reconciliation of reportable segment</b>			
<b>Profit</b>			<b>RM'000</b>
Reportable segment			91,631
Non-reportable segment			(11,290)
Unallocated income			3,030
Interest income			849
Finance costs			(7,114)
Share of profit of associated companies			7,170
Consolidated profit before taxation			84,276

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

The figures have not been audited

8: **Operating Segments (con'd)**

	<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>
Reportable segment	771,962	56,352
Non-reportable segment	613	86
<b>Total</b>	<u>772,575</u>	<u>56,438</u>

9. **Valuations of property, plant and equipment**

The valuation of property, plant and equipment has been brought forward without any amendments from the previous annual financial statements.

10. **Material events not reflected in the financial statements**

There are no material subsequent events to be disclosed as at the date of this report.

11. **Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations other than as mentioned below:-

- (i) Guocera Holdings Sdn Bhd ("GHSB"), a wholly-owned subsidiary of the Company has, on 26 March 2010, entered into a joint venture ("JV") contract with Infrastructure Development And Construction Corporation ("LICOGI") to form a JV company to be known as Guocera Tile Industries (Vietnam) Co., Ltd. ("GTI(V)"). Subsequent to the establishment of GTI(V), GTI(V) shall acquire and operate a factory ("Factory") located in Dong Nai Province, Vietnam, and which is currently involved in the production of porcelain tiles.

The Dong Nai Province People's Committee, SR of Vietnam has, on 26 October 2010, issued an Investment Certificate in respect of the Proposed JV. Following the issuance of the Investment Certificate, Guocera Tile Industries (Vietnam) Co., Ltd. ("GTI(V)") was incorporated on 26 October 2010 in Dong Nai Province, Vietnam. The intended principal activity of GTI(V) is the manufacture of porcelain tiles.

- (ii) The following Company's subsidiaries has been placed under members' voluntary liquidation:-

- (a) Hong Leong Maruken Sdn Bhd, a 70% subsidiary;
- (b) Varinet Sdn Bhd, a 60% subsidiary;
- (c) Guotrade (Malaysia) Sdn Bhd, a wholly-owned subsidiary;
- (d) MZ Engineering GmbH, an indirect wholly-owned subsidiary; and
- (e) Kilatas Sdn Bhd, an indirect wholly-owned subsidiary.

The liquidations are currently pending completion of legal execution proceedings against debtors and/or tax clearance from the Inland Revenue Board.

12. **Contingent liabilities or contingent assets**

There are no contingent liabilities or contingent assets as at the date of this report.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

**The figures have not been audited**

**13. Review of Performance**

For the quarter under review, the Group recorded a revenue and profit before taxation ("PBT") of RM772.6 million and RM84.3 million respectively as compared with a revenue and PBT of RM672.0 million and RM67.6 million recorded in the corresponding quarter of the preceding year.

The improvement in revenue and PBT were mainly due to the higher sales recorded by both semiconductor and consumer products businesses during the quarter under review.

**14. Material changes in profit before taxation against the immediate preceding quarter**

During the quarter under review, the Group recorded a PBT of RM84.3 million as compared with a PBT of RM38.2 million recorded in the preceding quarter. The higher PBT as compared with the preceding quarter was mainly due to the higher sales recorded during the quarter under review as explained in Note 13 above.

**15. Prospects**

Barring any unforeseen circumstances, the Board expects the Group's performance to be satisfactory for the financial year ending 30 June 2011.

**16. Profit forecast / profit guaranteed**

This note is not applicable.

**17. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To- Date	Preceding Year Corresponding Period
	30/09/2010 RM'000	30/09/2009 RM'000	30/09/2010 RM'000	30/09/2009 RM'000
Current tax				
Malaysian - current year	12,234	9,578	12,234	9,578
Overseas - current year	-	57	-	57
	<u>12,234</u>	<u>9,635</u>	<u>12,234</u>	<u>9,635</u>
Deferred tax				
Malaysian - current year	1,512	1,314	1,512	1,314
	<u>1,512</u>	<u>1,314</u>	<u>1,512</u>	<u>1,314</u>
	<u>13,746</u>	<u>10,949</u>	<u>13,746</u>	<u>10,949</u>

The Group's effective tax rate is lower than the statutory tax rate due mainly to tax incentives / allowances granted to certain subsidiaries.

**18. Sale of unquoted investments and/or properties**

There were no sales of unquoted investments and/or properties for the quarter under review and financial year-to-date.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

The figures have not been audited

**19. Quoted securities**

(a) There were no purchases or disposals of quoted securities (other than securities in existing subsidiaries and associated companies) for the quarter under review and financial year-to-date.

(b) Particulars of investments in quoted securities as at 30 September 2010:-

	<b>RM'000</b>
Other investment	
At cost	27
At fair value	<u>4</u>

**20. Corporate Proposals**

There are no corporate proposals announced but not completed as at the date of this report.

**21. Group's borrowings and debt securities**

Particulars of the Group's borrowings and debt securities as at 30 September 2010 are as follows:-

	<b>RM'000</b>
(i) Unsecured short term borrowings	384,181
(ii) Unsecured long term borrowings	358,122
	<u>742,303</u>

The above include borrowings denominated in foreign currency as follows:-

USD borrowings	<u>144,992</u>
----------------	----------------

**22. Derivative Financial Instruments**

Derivative financial instruments are used to reduce exposure to fluctuations in foreign exchange rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

Financial instruments are viewed as risk management tools by the Group and are not used for trading or speculative purposes.

The outstanding foreign exchange forward contracts as at 30 September 2010 are as followings:

<b>Type of Derivative</b>	<b>Nominal Value RM'000</b>	<b>Net Fair Value RM'000</b>
Foreign exchange forward contracts (less than 1 year)	<u>48,383</u>	<u>936</u>

There is minimal credit and market risk because the contracts were executed with established financial institutions.

With the adoption of FRS 139, derivative contracts are recognised and measured at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value with changes in fair value recognised in the income statement at each reporting date.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

The figures have not been audited

**23. Changes in Material Litigation**

There are no material litigation as at the date of this report.

**24. Dividend**

- (a) The Board has declared an interim dividend of 10.0 sen per share tax exempt for the quarter ended 30 September 2010 of the financial year ending 30 June 2011 (2009/2010 : 7.0 sen per share tax exempt) to be paid on 22 December 2010 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 3 December 2010.

This is to inform that a Depositor shall qualify for the entitlement only in respect of: -

- (i) shares transferred into the Depositor's securities account before 4.00 p.m. on 3 December 2010 in respect of ordinary transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Bursa Malaysia Securities Berhad's Listing Requirements.
- (b) For the financial year-to-date, a total dividend of 10.0 sen per share tax exempt has been declared (2009/2010: 7.0 sen per share tax exempt).

**25. Earnings Per Ordinary Share**

**Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to equity holders of the parent of RM45,502,000 (1st quarter 2009/2010: RM40,522,000) and the weighted average number of ordinary shares during the quarter of 261,574,000 (1st quarter 2009/2010: 261,576,000).

*Weighted average number of ordinary shares*

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2010 '000	Preceding Year Corresponding Quarter 30/09/2009 '000	Current Year- To-Date 30/09/2010 '000	Preceding Year Corresponding Period 30/09/2009 '000
Issued ordinary shares at beginning of period	281,145	281,145	281,145	281,145
Treasury shares held at beginning of period	(8,431)	(8,429)	(8,431)	(8,429)
Trust Shares held at beginning of period	(11,140)	(11,140)	(11,140)	(11,140)
Weighted average number of ordinary shares (basic)	261,574	261,576	261,574	261,576

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED**  
**30 SEPTEMBER 2010**

---

The figures have not been audited

25. **Earnings Per Ordinary Share (con'd)**

**Diluted earnings per ordinary share**

The Group has no dilution in its earnings per ordinary share in the quarter under review / financial year-to-date and preceding year's corresponding quarter / period as the potential ordinary shares from the exercise of Options would increase the basic earnings per ordinary share.

By Order of the Board  
Hong Leong Industries Berhad

Joanne Leong Wei Yin  
Company Secretary

Kuala Lumpur  
16 November 2010