

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Revenue	524,487	516,529	524,487	516,529
Cost of sales	(416,116)	(411,308)	(416,116)	(411,308)
Gross profit	108,371	105,221	108,371	105,221
Operating expenses	(51,417)	(47,592)	(51,417)	(47,592)
Other operating income	16,070	4,572	16,070	4,572
Operating profit	73,024	62,201	73,024	62,201
Interest income	757	599	757	599
Finance costs	(4,767)	(15,197)	(4,767)	(15,197)
Share of profit in associated companies, net of tax	5,983	8,800	5,983	8,800
Profit before taxation	74,997	56,403	74,997	56,403
Taxation	(15,107)	(10,186)	(15,107)	(10,186)
Profit from continuing operations	59,890	46,217	59,890	46,217
Discontinued operation (NI)				
Profit from discontinued operation, net of tax	188	1,416	188	1,416
Profit for the period	60,078	47,633	60,078	47,633
Profit attributable to:				
Owners of the Company	48,169	36,074	48,169	36,074
Non-controlling interests	11,909	11,559	11,909	11,559
Profit for the period	60,078	47,633	60,078	47,633
Earnings per ordinary share (sen) :-				
(a) Basic	15.62	11.70	15.62	11.70
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2014 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Profit for the period	60,078	47,633	60,078	47,633
Foreign currency translation differences for foreign operations	3,155	4,329	3,155	4,329
Total comprehensive income for the period	63,233	51,962	63,233	51,962
Total comprehensive income attributable to:				
Owners of the Company	51,324	40,403	51,324	40,403
Non-controlling interests	11,909	11,559	11,909	11,559
Total comprehensive income for the period	63,233	51,962	63,233	51,962

(NI)

Subsequent to the quarter under review, the Company had, on 20 October 2014 completed the Disposals (as disclosed in note 17) and accordingly Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) Group has ceased to be subsidiaries of HLI. Consequently, the results of Hume Concrete Sdn Bhd Group have been separately disclosed as discontinued operation.

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2014

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	As At End of Current Quarter 30/09/2014 RM'000	As At End of Preceding Financial Year 30/06/2014 RM'000
ASSETS		
Property, plant and equipment	384,183	382,158
Investment properties	4,000	4,000
Investments in associated companies	347,273	346,464
Other investments	13,830	547,963
Intangible assets	16,182	16,501
Deferred tax assets	13	13
Tax credit receivables	2,729	4,582
TOTAL NON-CURRENT ASSETS	768,210	1,301,681
Inventories	199,228	180,442
Trade and other receivables	370,369	382,757
Current tax assets	36,381	36,728
Derivative financial assets	490	2
Cash and cash equivalents	404,133	196,410
	1,010,601	796,339
Assets pending distribution	316,915	316,468
TOTAL CURRENT ASSETS	1,327,516	1,112,807
TOTAL ASSETS	2,095,726	2,414,488
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	163,953	163,953
Reserves	1,212,376	1,160,954
Treasury shares - at cost	(63,318)	(63,318)
	1,313,011	1,261,589
NON-CONTROLLING INTERESTS	126,835	114,929
TOTAL EQUITY	1,439,846	1,376,518
LIABILITIES		
Borrowings (unsecured)	50,000	50,000
Deferred tax liabilities	7,529	7,629
Deferred income	2,467	4,375
Employee benefits	21,609	21,151
TOTAL NON-CURRENT LIABILITIES	81,605	83,155
Trade and other payables	311,046	286,495
Borrowings (unsecured)	161,959	572,742
Derivative financial liabilities	139	525
Tax payable	21,206	15,385
	494,350	875,147
Liabilities pending distribution	79,925	79,668
TOTAL CURRENT LIABILITIES	574,275	954,815
TOTAL LIABILITIES	655,880	1,037,970
TOTAL EQUITY AND LIABILITIES	2,095,726	2,414,488
Net assets per share attributable to owners of the Company (RM)	4.26	4.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

**HONG LEONG INDUSTRIES BERHAD (5486-P)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Attributable to owners of the Company						Total equity				
	Share capital	Share premium	Exchange equalisation reserve	Other reserves	Reserve for own shares	Executive share scheme reserve		Treasury shares	Retained earnings	Total	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date ended 30 September 2014	163,953	387,038	2,998	21,482	(41,459)	293	(63,318)	790,602	1,261,589	114,929	1,376,518
At 1 July 2014	-	-	-	-	-	-	-	48,169	48,169	11,909	60,078
Profit for the period	-	-	3,155	-	-	-	-	-	3,155	-	3,155
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	3,155	-	-	-	-	48,169	51,324	11,909	63,233
Share-based payments	-	-	-	-	-	98	-	-	98	-	98
Redemption of redeemable preference shares in a subsidiary company	-	-	-	-	-	-	-	-	-	(3)	(3)
Total transactions with owners of the Company	-	-	-	-	-	98	-	-	98	(3)	95
Transfer to capital reserve	-	-	-	17	-	-	-	(17)	-	-	-
At 30 September 2014	163,953	387,038	6,153	21,499	(41,459)	391	(63,318)	838,754	1,313,011	126,835	1,439,846

**HONG LEONG INDUSTRIES BERHAD (5486-P)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014**

**The figures have not been audited
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

	←----- Attributable to owners of the Company ----->									
	←----- Non-distributable ----->			-----> Distributable						
	Share capital	Share premium	Exchange equalisation reserve	Other reserves	Reserve for own shares	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period ended 30 September 2013	163,953	387,038	1,772	20,624	(41,459)	(63,318)	701,042	1,169,652	113,166	1,282,818
Profit for the period	-	-	-	-	-	-	36,074	36,074	11,559	47,633
Other comprehensive income	-	-	4,329	-	-	-	-	4,329	-	4,329
- Foreign currency translation differences	-	-	4,329	-	-	-	36,074	40,403	11,559	51,962
Total comprehensive income for the period	-	-	-	-	-	-	(3)	-	-	-
Transfer to capital reserve	-	-	-	3	-	-	-	-	-	-
At 30 September 2013	163,953	387,038	6,101	20,627	(41,459)	(63,318)	737,113	1,210,055	124,725	1,334,780

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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30 SEPTEMBER 2014

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014

	Current Year- To-Date 30/09/2014 RM'000	Preceding Year Corresponding Period 30/09/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- From continuing operations	74,997	56,403
- From discontinued operation	580	1,732
	<u>75,577</u>	<u>58,135</u>
Adjustments for:-		
Share of profit in associated companies, net of tax	(5,983)	(8,800)
Depreciation and amortisation	14,421	12,355
Dividend income	(5,461)	(9,030)
Non cash items	(14,521)	1,194
Net financing costs	4,289	14,600
Operating profit before changes in working capital	<u>68,322</u>	<u>68,454</u>
Changes in working capital		
Net change in current assets	(13,304)	14,088
Net change in current liabilities	22,441	(3,116)
Taxation paid	(9,278)	(8,963)
Net financing costs paid	(4,289)	(14,600)
Dividend received	10,871	20,280
Retirement benefits paid	-	(101)
Net cash generated from operating activities	<u>74,763</u>	<u>76,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(15,893)	(12,662)
Proceeds from disposal of property, plant & equipment	1,167	295
Proceeds from redemption of investment in unit trust	548,175	-
Proceeds from redemption of redeemable preference shares in a associated company	5,360	-
Redemption of redeemable preference shares by non-controlling shareholder of a subsidiary company	(3)	-
Net cash and cash equivalents pending distribution	2,578	-
Net cash generated from/(used in) investing activities	<u>541,384</u>	<u>(12,367)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	47,643	135,999
Repayment of borrowings	(456,426)	(45,544)
Net cash (used in)/generated from financing activities	<u>(408,783)</u>	<u>90,455</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	207,364	154,130
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	196,410	354,347
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	359	907
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>404,133</u>	<u>509,384</u>

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statements of financial position amounts:

	30/09/2014 RM'000	30/09/2013 RM'000
Deposits, cash and bank balances	404,133	512,980
Bank overdraft	-	(3,596)
	<u>404,133</u>	<u>509,384</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

HONG LEONG INDUSTRIES BERHAD (5486-P)
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1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 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 2014. This interim financial report also complies with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2014.

The Group has adopted the MFRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2014 and 1 July 2014 where applicable to the Group. The initial adoption of these applicable MFRS, amendments and interpretations do not have any material 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 quarter under review and financial year-to-date.

Subsequent to the quarter under review, the capital reduction of HLI had become effective on 16 October 2014 and accordingly, the share premium reserve of the Company had been reduced from approximately RM387.0 million to approximately RM152.9 million.

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.

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 2014 was 8,432,500 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.
- (b) There were no additional shares purchased by the ESS Trust during the quarter under review and financial year-to-date. As at 30 September 2014, the total number of shares held by the ESS Trust was 11,117,133 shares.

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

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7. **Dividend paid**

There were no dividend paid during the quarter under review and financial year-to-date.

8. **Operating Segments**

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

	Consumer products	Industrial products	Industrial products (Discontinued Operation)	Total
	RM'000	RM'000	RM'000	RM'000
Segment profit	55,419	1,697	859	57,975

Included in the measure of segment profit are:

Revenue from external customers	389,365	130,644	51,731	571,740
Depreciation and amortisation	10,929	2,741	706	14,376

Reconciliation of reportable segment profit

Profit

Reportable segment	57,975
Non-reportable segment	15,908
Profit from discontinued operation	(859)
Interest income	757
Finance costs	(4,767)
Share of profit in associated companies, net of tax	5,983
Consolidated profit before taxation – Continuing operations	74,997

	External revenue	Depreciation and amortisation
	RM'000	RM'000
Reportable segment	571,740	14,376
Non-reportable segment	4,478	45
Discontinued operation	(51,731)	(706)
Total	524,487	13,715

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

Except for the Corporate Proposals as disclosed in Note 17, there are no material subsequent events to be disclosed as at the date of this report.

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10. 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) The following Company's subsidiaries have been placed under members' voluntary liquidation:-

- (a) Hong Leong Maruken Sdn Bhd, a 70% subsidiary;
- (b) Varinet Sdn Bhd, a 60% subsidiary; and
- (c) Century Touch Sdn Bhd, a 70% indirect-owned subsidiary.

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

ii) Subsequent to the quarter under review, the Company had, on 20 October 2014 completed the Disposals (as disclosed in note 17) and accordingly Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) Group has ceased to be subsidiaries of HLI.

11. Review of Performance

Subsequent to the quarter under review, the Company had, on 20 October 2014 completed the Disposals (as disclosed in note 17) and accordingly Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) Group has ceased to be subsidiaries of HLI. The results of Hume Concrete Sdn Bhd Group have been separately disclosed as discontinued operation during the quarter under review ("Discontinued Operation").

For the quarter under review, the Group (excluding Discontinued Operation) recorded a higher revenue of RM524.5 million and profit before taxation ("PBT") of RM75.0 million as compared with a revenue and PBT of RM516.5 million and RM56.4 million respectively for the corresponding quarter of the preceding year ended 30 June 2014. The higher PBT was mainly due to favourable sales mix and lower production costs for our consumer products segment and a gain of RM12.6 million arising from the redemption of investment in unit trust.

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

For the quarter under review, the Group (excluding Discontinued Operation) recorded a PBT of RM75.0 million as compared with a PBT of RM61.3 million recorded in the preceding quarter, mainly attributable to favourable sales mix for our consumer products segment and a gain of RM12.6 million arising from the redemption of investment in unit trust.

13. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance for both the consumer products segment and industrial products segment to be satisfactory for the financial year ending 30 June 2015.

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14. **Profit forecast / profit guaranteed**

This note is not applicable.

15. **Profit before taxation**

	Current Year Quarter	Current Year To-date
	30/09/2014 RM'000	30/09/2014 RM'000
Continuing operations		
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(5,458)	(5,458)
Depreciation and amortisation	13,715	13,715
Reversal of impairment loss on trade receivables	(142)	(142)
Inventories written down	436	436
Loss on foreign exchange	989	989
Fair value gain on derivative instruments	(874)	(874)
Gain on disposal of a property	(870)	(870)
Impairment of property, plant and equipment	-	-
<hr/>		
Discontinued operation		
Profit is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(3)	(3)
Depreciation and amortisation	706	706
Impairment loss on trade receivables	236	236
Inventories written down	1,101	1,101
Loss on foreign exchange	40	40
Fair value gain on derivative instruments	-	-
Gain on disposal of quoted/unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-
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16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- to-date	Preceding Year Corresponding Period
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Current taxation				
Malaysian - current year	13,898	9,890	13,898	9,890
- prior years	1,289	53	1,289	53
Overseas - current year	20	60	20	60
- prior years	-	-	-	-
	<u>15,207</u>	<u>10,003</u>	<u>15,207</u>	<u>10,003</u>
Deferred taxation				
Malaysian - current year	206	168	206	168
- prior years	(306)	15	(306)	15
	<u>(100)</u>	<u>183</u>	<u>(100)</u>	<u>183</u>
Income tax attributable to continuing operations	15,107	10,186	15,107	10,186
Income tax attributable to discontinued operation	392	316	392	316
	<u>15,499</u>	<u>10,502</u>	<u>15,499</u>	<u>10,502</u>

The Group's effective tax rate for the financial year-to-date is lower than the statutory tax rate due mainly to certain income were not taxable.

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17. Corporate Proposals

Saved as disclosed below, there are no corporate proposals announced but not completed as at the date of this report.

On 11 September 2013, Hong Leong Investment Bank Berhad (“HLIB”) announced, on behalf of the Company, that the Company has, on 10 September 2013, entered into the following agreements:

- (i) a conditional Shares Sale Agreement with Narra Industries Berhad (“Narra”) for the disposal of the entire issued and paid-up share capital of Hume Industries (Malaysia) Sdn Bhd (now known as Hume Concrete Sdn Bhd) (“HIMSB”), a wholly-owned subsidiary of the Company, which shall comprise 30,000,000 ordinary shares of RM1.00 each (“HIMSB Shares”) for a disposal consideration of RM48,000,000 to be satisfied by the issuance of 48,000,000 New Narra Shares (as defined below) at an issue price of RM1.00 per New Narra Share (“HIMSB Consideration Shares”) (“Disposal of HIMSB”); and
- (ii) a conditional Shares Sale Agreement with Narra for the disposal of the entire 175,000,000 6-year 2% non-cumulative irredeemable convertible preference shares of RM1.00 each in Hume Cement Sdn Bhd (“HCement ICPS”) for a disposal consideration of RM300,000,000 to be satisfied by the issuance of 300,000,000 New Narra Shares at an issue price of RM1.00 per New Narra Share (“HCement ICPS Consideration Shares”) (“Disposal of HCement ICPS”)

[The Disposal of HIMSB and the Disposal of HCement ICPS are collectively referred to as “Disposals”].

[The HIMSB Consideration Shares and the HCement ICPS Consideration Shares are collectively referred to as “Consideration Shares”].

The Disposals and the acquisition by Narra of the entire ordinary share capital in HCement from Hong Leong Manufacturing Group Sdn Bhd are inter-conditional upon each other.

Prior to the completion of the Disposals, Narra had, on 15 August 2014 completed its capital restructuring involving a share capital reduction via the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each in Narra and a share consolidation of 2 resultant ordinary shares of RM0.50 each into 1 ordinary share of RM1.00 each in Narra (“New Narra Shares”).

The capital reduction of HLI had become effective on 16 October 2014 and accordingly, the share premium reserve of the Company had been reduced from approximately RM387.0 million to approximately RM152.9 million.

The Disposals were completed on 20 October 2014 following the issue and allotment of the Consideration Shares by Narra in accordance with the terms and conditions of the Shares Sale Agreements and accordingly, Hume Concrete Sdn Bhd Group has ceased to be subsidiaries of HLI.

Upon completion of the Disposals, the Company implemented a capital distribution involving the distribution of Narra Shares to its shareholders on the basis of 1,080 Narra Shares for every 1,000 ordinary shares of RM0.50 each held in the Company (“Capital Distribution”). The Narra Shares distributed to the entitled shareholders of HLI pursuant to the Capital Distribution had been listed and quoted on the Main Market of Bursa Securities on 24 October 2014 and accordingly, the corporate exercises were completed on even date.

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18. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 30 September 2014 are as follows:-

	RM'000
(i) Unsecured short term borrowings	161,959
(ii) Unsecured long term borrowings	50,000
	<u>211,959</u>

There were no borrowings denominated in foreign currencies as at 30 September 2014.

19. Changes in Material Litigation

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

20. Dividend

- (a) The Board has declared an interim dividend of 12.0 sen per share tax exempt for the quarter ended 30 September 2014 of the financial year ending 30 June 2015 (1st quarter 2013/2014: 10.0 sen per share tax exempt) to be paid on 10 December 2014 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 27 November 2014.

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 27 November 2014 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, dividend of 12.0 sen per share tax exempt (2013/2014: 10.0 sen per share tax exempt) has been declared.

21. Earnings Per Ordinary Share

- (a) Basic earnings per ordinary share

The basic earnings per ordinary share for the quarter under review/financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM48,169,000 (1st quarter 2013/2014: RM36,074,000) by the weighted average number of ordinary shares during the quarter of 308,356,000 (1st quarter 2013/2014: 308,356,000).

Weighted average number of ordinary shares

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2014 '000	Preceding Year Corresponding Quarter 30/09/2013 '000	Current Year- To- Date 30/09/2014 '000	Preceding Year Corresponding Period 30/09/2013 '000
Issued ordinary shares at beginning of period	327,905	327,905	327,905	327,905
Treasury shares held at beginning of period	(8,432)	(8,432)	(8,432)	(8,432)
ESS Trust Shares held at beginning of period	(11,117)	(11,117)	(11,117)	(11,117)
Weighted average number of ordinary shares (basic)	<u>308,356</u>	<u>308,356</u>	<u>308,356</u>	<u>308,356</u>

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The figures have not been audited

21. Earnings Per Ordinary Share (cont'd)

(b) 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 corresponding quarter/period as there were no dilutive potential ordinary shares.

22. Realised and unrealised profits /(losses) disclosure

The breakdown of the retained earnings of the Group, into realised and unrealised profits/(losses) are as follows:-

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2014 RM'000	30/06/2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- realised	943,702	872,540
- unrealised	(10,128)	(10,427)
	<u>933,574</u>	<u>862,113</u>
Total share of retained earnings of associated companies:		
- realised	90,443	86,782
- unrealised	2,695	2,983
	<u>93,138</u>	<u>89,765</u>
Less: Consolidation adjustments	(187,958)	(161,276)
Group retained earnings	<u>838,754</u>	<u>790,602</u>

By Order of the Board
 Hong Leong Industries Berhad

Joanne Leong Wei Yin
 Valerie Mak Mew Chan
 Company Secretaries

Kuala Lumpur
 11 November 2014