

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2013

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Revenue	567,831	556,231	567,831	556,231
Cost of sales	(454,800)	(463,200)	(454,800)	(463,200)
Gross profit	113,031	93,031	113,031	93,031
Operating expenses	(54,245)	(54,858)	(54,245)	(54,858)
Other operating income	5,149	10,518	5,149	10,518
Operating profit	63,935	48,691	63,935	48,691
Interest income	663	619	663	619
Finance costs	(15,263)	(12,569)	(15,263)	(12,569)
Share of profit in associated companies	8,800	7,904	8,800	7,904
Profit before taxation	58,135	44,645	58,135	44,645
Taxation	(10,502)	(11,418)	(10,502)	(11,418)
Profit for the period	47,633	33,227	47,633	33,227
Profit attributable to:				
Owners of the Company	36,074	20,552	36,074	20,552
Non-controlling interests	11,559	12,675	11,559	12,675
Profit for the period	47,633	33,227	47,633	33,227
Earnings per ordinary share (sen) :-				
(a) Basic	11.70	6.67	11.70	6.67
(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 2013.

HONG LEONG INDUSTRIES BERHAD (5486-P)
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ENDED 30 SEPTEMBER 2013

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2013 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Profit for the period	47,633	33,227	47,633	33,227
Foreign currency translation differences for foreign operations	4,329	(16,856)	4,329	(16,856)
Fair value gain on available-for-sale financial assets	-	1,546	-	1,546
Total comprehensive income for the period	51,962	17,917	51,962	17,917
Total comprehensive income attributable to:				
Owners of the Company	40,403	5,119	40,403	5,119
Non-controlling interests	11,559	12,798	11,559	12,798
Total comprehensive income for the period	51,962	17,917	51,962	17,917

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 2013.

HONG LEONG INDUSTRIES BERHAD (5486-P)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	As At End of Current Quarter 30/09/2013 RM'000	As At End of Preceding Financial Year 30/06/2013 RM'000
ASSETS		
Property, plant and equipment	414,043	416,300
Investment properties	2,231	2,231
Investments in associated companies	336,378	328,390
Other investments	706,340	706,291
Intangible assets	17,074	14,681
Deferred tax assets	8,201	8,292
Tax credit receivables	2,070	-
TOTAL NON-CURRENT ASSETS	1,486,337	1,476,185
Inventories	202,627	206,558
Trade and other receivables	408,258	425,869
Current tax assets	28,053	24,111
Derivative financial assets	767	1,691
Cash and cash equivalents	512,980	354,347
TOTAL CURRENT ASSETS	1,152,685	1,012,576
TOTAL ASSETS	2,639,022	2,488,761
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	163,953	163,953
Reserves	1,109,420	1,069,017
Treasury shares - at cost	(63,318)	(63,318)
	1,210,055	1,169,652
NON-CONTROLLING INTERESTS	124,725	113,166
TOTAL EQUITY	1,334,780	1,282,818
LIABILITIES		
Borrowings (unsecured)	697,663	697,663
Deferred tax liabilities	7,497	7,481
Deferred income	2,018	-
Employee benefits	20,225	19,838
TOTAL NON-CURRENT LIABILITIES	727,403	724,982
Trade and other payables	322,506	325,622
Borrowings (unsecured)	231,481	137,430
Derivative financial liabilities	1,027	1,458
Tax payable	21,825	16,451
TOTAL CURRENT LIABILITIES	576,839	480,961
TOTAL LIABILITIES	1,304,242	1,205,943
TOTAL EQUITY AND LIABILITIES	2,639,022	2,488,761
Net assets per share attributable to owners of the Company (RM)	3.92	3.79

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2013.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	←----- Attributable to owners of the Company ----->					Distributable	Total equity		
	Share capital	Share premium	Exchange equalisation reserve	Non-distributable Other reserves	Reserve for own shares			Treasury shares	Retained earnings
	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 2012	163,953	387,038	18,275	20,183	(41,459)	(63,318)	597,756	102,767	1,185,195
At 1 July 2012	-	-	-	-	-	-	20,552	12,675	33,227
Profit for the period	-	-	(16,979)	-	-	-	-	123	(16,856)
Other comprehensive (expense)/income	-	-	-	1,546	-	-	-	-	1,546
- Foreign currency translation differences	-	-	-	-	-	-	-	-	-
- Gain on fair value adjustments	-	-	-	1,546	-	-	-	-	1,546
Total comprehensive (expense)/income for the period	-	-	(16,979)	1,546	-	-	20,552	12,798	17,917
At 30 September 2012	163,953	387,038	1,296	21,729	(41,459)	(63,318)	618,308	115,565	1,203,112

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 2013.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2013

	Current Year- To-Date 30/09/2013 RM'000	Preceding Year Corresponding Period 30/09/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,135	44,645
Adjustments for:-		
Share of profit of associated companies	(8,800)	(7,904)
Depreciation and amortisation	12,355	12,415
Dividend income	(9,030)	(4,120)
Non cash items	1,194	(5,481)
Net financing costs	14,600	11,950
Operating profit before changes in working capital	68,454	51,505
Changes in working capital		
Net change in current assets	14,088	20,725
Net change in current liabilities	(3,116)	(4,574)
Taxation paid	(8,963)	(5,274)
Net financing costs paid	(14,600)	(11,950)
Dividend received	20,280	10,693
Retirement benefits paid	(101)	(179)
Net cash generated from operating activities	76,042	60,946
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(12,662)	(17,037)
Proceeds from disposal of property, plant & equipment	295	2,060
Proceed from disposal of asset held for sale	-	16,946
Acquisition of other investments	-	(270,000)
Net cash used in investing activities	(12,367)	(268,031)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	135,999	306,387
Repayment of borrowings	(45,544)	(39,243)
Net cash generated from financing activities	90,455	267,144
NET CHANGE IN CASH AND CASH EQUIVALENTS	154,130	60,059
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	354,347	215,617
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	907	(1,416)
CASH & CASH EQUIVALENTS AT END OF PERIOD	509,384	274,260

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

	30/09/2013 RM'000	30/09/2012 RM'000
Deposits, cash and bank balances	512,980	274,260
Bank overdraft	(3,596)	-
	509,384	274,260

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2013.

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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 2013. 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 2013.

The Group has adopted the MFRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2013 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.

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 2013 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 ESOS Trust during the quarter under review and financial year-to-date. As at 30 September 2013, the total number of shares held by the ESOS 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	Total
	RM'000	RM'000	RM'000
Segment profit	52,353	4,698	57,051

Included in the measure of segment profit are:

Revenue from external customers	373,153	186,506	559,659
Depreciation and amortisation	9,025	3,308	12,333

Reconciliation of reportable segment profit

Profit

Reportable segment	57,051
Non-reportable segment	6,884
Interest income	663
Finance costs	(15,263)
Share of profit of associated companies	8,800
Consolidated profit before taxation	58,135

	External revenue RM'000	Depreciation and amortisation RM'000
Reportable segment	559,659	12,333
Non-reportable segment	8,172	22
Total	567,831	12,355

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

Except for the Corporate Proposals as disclosed in Note 17(b), 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;
- (c) Century Touch Sdn Bhd, a 70% indirect-owned subsidiary; and
- (d) RZA Logistics Sdn Bhd, a 59.1% 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.

11. Review of Performance

For the quarter under review, the Group recorded a higher revenue of RM567.8 million and profit before taxation ("PBT") of RM58.1 million as compared with a revenue of RM556.2 million and PBT of RM44.6 million recorded in the corresponding quarter of the preceding financial year. The higher PBT was mainly due to favourable sales mix and lower production costs for consumer products.

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

For the quarter under review, the Group recorded a PBT of RM58.1 million as compared with a PBT of RM64.5 million recorded in the preceding quarter. The decline in PBT was mainly due to lower revenue recorded for the industrial products segment which was partly mitigated by higher profit contribution from the associated companies.

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 2014.

14. Profit forecast / profit guaranteed

This note is not applicable.

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15. Profit before taxation

	Current Year Quarter	Current Year To-date
	30/09/2013 RM'000	30/09/2013 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(9,030)	(9,030)
Depreciation and amortisation	12,355	12,355
Reversal of impairment loss on trade receivables	(1,615)	(1,615)
Inventories written back	(1,695)	(1,695)
Gain on foreign exchange	(2,577)	(2,577)
Fair value loss on derivative instruments	493	493
Gain on disposal of quoted/unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- to-date	Preceding Year Corresponding Period
	30/09/2013 RM'000	30/09/2012 RM'000	30/09/2013 RM'000	30/09/2012 RM'000
Current taxation				
Malaysian - current year	10,116	11,409	10,116	11,409
- prior years	53	42	53	42
Overseas - current year	60	76	60	76
	<u>10,229</u>	<u>11,527</u>	<u>10,229</u>	<u>11,527</u>
Deferred taxation				
Malaysian - current year	168	-	168	-
- prior years	105	(109)	105	(109)
	<u>273</u>	<u>(109)</u>	<u>273</u>	<u>(109)</u>
	<u>10,502</u>	<u>11,418</u>	<u>10,502</u>	<u>11,418</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.

- a) On 26 August 2013, Hong Leong Investment Bank Berhad (“HLIB”) announced, on behalf of the Company, that the Company proposed to establish an executive share grant scheme of up to 10% of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company for the benefit of the eligible executives (Proposed ESGS).

The Proposed ESGS was approved by the shareholders of HLI on 17 October 2013.

The Company currently has an executive share option scheme which was established on 8 March 2013 (“Existing ESOS”). Upon the establishment of the Proposed ESGS, the Proposed ESGS together with the Existing ESOS shall be renamed as Executive Share Scheme.

Bursa Malaysia Securities Berhad has, via its letter dated 10 September 2013, granted its approval in-principle for the listing of such number of additional new ordinary shares of RM0.50 each in HLI, representing up to 10% of the issued and paid-up ordinary share capital of the Company, to be issued pursuant to the Proposed ESGS.

Barring any unforeseen circumstances, the Company expects to implement the Proposed ESGS by the fourth quarter of year 2013.

- b) On 11 September 2013, HLIB announced, on behalf of the Company, that the Company had, on 10 September 2013, entered into the following agreements:
- i) a conditional Shares Sale Agreement with Narra Industries Berhad (“Narra”) for the proposed disposal of the entire issued and paid-up share capital of Hume Industries (Malaysia) 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 total 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”) (“Proposed Disposal of HIMSB”); and
 - ii) a conditional Shares Sale Agreement with Narra for the proposed 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 total 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”) (“Proposed Disposal of HCement ICPS”).

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

Prior to the completion of the Proposed Disposals, Narra will implement a capital restructuring involving the proposed share capital reduction by the cancellation of RM0.50 of the par value of every existing ordinary share of RM1.00 each in Narra and the proposed share consolidation of 2 resultant ordinary shares of RM0.50 each into 1 ordinary share of RM1.00 each in Narra (“New Narra Shares”) (“Proposed Narra Capital Restructuring”).

HIMSB is undergoing an internal restructuring so that the restructured HIMSB to be disposed of by the Company to Narra shall comprise HIMSB and its subsidiaries involved in the manufacture and sale of concrete products only.

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17. Corporate Proposals (cont'd)

Upon completion of the Proposed Disposals, the Company shall, subject to all requisite approvals being obtained, implement a proposed capital distribution comprising:

- (i) a proposed reduction of the capital of HLI in accordance with Section 64 of the Companies Act, 1965 (“Act”) involving a reduction of share premium reserve (“Proposed Capital Reduction”); and
- (ii) a capital repayment exercise involving the distribution of 345,030,635 New Narra Shares on the basis of 1,080 New Narra Shares for every 1,000 ordinary shares RM0.50 each held in the Company, representing substantially all the HIMSB Consideration Shares and HCement ICPS Consideration Shares to be received by the Company pursuant to the Proposed Disposals, to shareholders whose names appear in the Company’s Record of Depositors as at the close of business on a date to be determined and announced later

(collectively, the “Proposed Capital Distribution”)

[Proposed Disposals and the Proposed Capital Distribution are collectively referred to as “Proposals”].

The Proposed Disposals are subject to, inter-alia, the following being obtained:

- (i) approval of the shareholders of the Company for the Proposals at an extraordinary general meeting (“EGM”) to be convened;
- (ii) approvals of the members of the respective holding companies of the Company and Narra as required by Section 132E of the Act for the relevant proposals.

The Proposed Disposals are also subject to, inter-alia, the following being obtained by Narra:

- (i) approval of the Securities Commission (“SC”) for:
 - (a) the proposed acquisitions by Narra of HIMSB Shares, HCement ICPS and the entire ordinary share capital of HCement (“HCement Ordinary Shares”) (collectively, the “Proposed Acquisitions by Narra”);
 - (b) the resultant equity structure of Narra upon completion of the Proposed Acquisitions by Narra;
 - (c) the proposed exemption for the Company from an obligation to undertake a mandatory offer for the remaining New Narra Shares not already held by the Company and the Company’s concert party(ies) upon completion of the Proposed Disposals pursuant to Section 219 of the Capital Markets and Services Act, 2007 (“CMSA”) (“Proposed HLI Exemption”); and
 - (d) the proposed exemption for Hong Leong Manufacturing Group Sdn Bhd (“HLMG”) from an obligation to undertake a mandatory offer for the remaining New Narra Shares not already held by HLMG and HLMG’s concert party(ies) upon completion of the Proposed Capital Distribution pursuant to Section 219 of the CMSA (“Proposed HLMG Exemption”).

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17. Corporate Proposals (cont'd)

HLIB had, on 31 October 2013 announced on behalf of the Company that the application to the SC in relation to Proposed HLI Exemption had been submitted on even date.

In addition, applications for the Proposed Acquisitions by Narra and the resultant equity structure of Narra upon completion of the Proposed Acquisitions by Narra, and the Proposed HLMG Exemption had also been submitted to the SC on 31 October 2013.

- (ii) approval-in-principle of Bursa Malaysia Securities Berhad (“Bursa Securities”) for:
- (a) the proposed consolidation of the Narra shares pursuant to the Proposed Narra Capital Restructuring; and
 - (b) the listing of and quotation for all the New Narra Shares to be issued pursuant to the Proposed Acquisitions by Narra on Bursa Securities.
- (iii) the grant of an order by the High Court pursuant to Section 64 of Act for the proposed share capital reduction by Narra; and
- (iv) approval of the shareholders of Narra for its corporate proposals (comprising Proposed Narra Capital Restructuring, Proposed Acquisitions by Narra and proposed increase in authorised share capital of Narra) at an EGM to be convened.

The Proposed Capital Distribution is subject to the following being obtained:

- (i) the grant of an order by the High Court pursuant to Section 64 of the Act for the Proposed Capital Reduction; and
- (ii) approval of the shareholders of HLI for the Proposals at an EGM to be convened.

The Proposed Disposal of HIMSB, Proposed Disposal of HCement ICPS and the proposed acquisition by Narra of HCement Ordinary Shares are inter-conditional upon one another.

The Proposed Capital Distribution (which includes the Proposed Capital Reduction) is conditional upon the Proposed Disposals.

Subject to all requisite approvals being obtained, the proposals are expected to be completed by the fourth quarter of the financial year ending 30 June 2014.

18. Group’s borrowings and debt securities

Particulars of the Group’s borrowings and debt securities as at 30 September 2013 are as follows:-

	RM’000
(i) Unsecured short term borrowings	231,481
(ii) Unsecured long term borrowings	697,663
	<u>929,144</u>

There were no borrowings denominated in foreign currencies as at 30 September 2013.

19. Changes in Material Litigation

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

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20. Dividend

- (a) The Board has declared an interim dividend of 10.0 sen per share tax exempt for the quarter ended 30 September 2013 of the financial year ending 30 June 2014 (1st quarter 2012/2013: 10.0 sen per share tax exempt) to be paid on 20 December 2013 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 9 December 2013.

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 9 December 2013 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 10.0 sen per share tax exempt (2012/2013: 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 RM36,074,000 (1st quarter 2012/2013: RM20,552,000) and the weighted average number of ordinary shares during the quarter of 308,356,000 (1st quarter 2012/2013: 308,356,000).

Weighted average number of ordinary shares

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2013 '000	Preceding Year Corresponding Quarter 30/09/2012 '000	Current Year- To-Date 30/09/2013 '000	Preceding Year Corresponding Period 30/09/2012 '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)
Trust Shares held at beginning of period	(11,117)	(11,117)	(11,117)	(11,117)
Weighted average number of ordinary shares (basic)	308,356	308,356	308,356	308,356

- (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.

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The figures have not been audited

22. Realised and unrealised profits /(losses) disclosure

The breakdown of the retained profits 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
	30/09/2013 RM'000	30/06/2013 RM'000
Total retained profits of the Company and the subsidiaries:-		
- realised	807,709	661,394
- unrealised	(8,614)	(1,192)
	<u>799,095</u>	<u>660,202</u>
Total share of retained profits of associated companies:		
- realised	69,225	62,998
- unrealised	7,200	8,857
	<u>76,425</u>	<u>71,855</u>
Less: Consolidation adjustments	(138,407)	(31,015)
Group retained earnings	<u>737,113</u>	<u>701,042</u>

By Order of the Board
 Hong Leong Industries Berhad

Joanne Leong Wei Yin
 Valerie Mak Mew Chan
 Company Secretaries

Kuala Lumpur
 22 November 2013