

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2013**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Restated Preceding Year Corresponding Quarter	Current Year - To -Date	Restated Preceding Year Corresponding Period
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
<b>Revenue</b>	553,423	559,418	1,661,369	1,588,077
Cost of sales	(443,862)	(458,385)	(1,358,780)	(1,301,156)
<b>Gross profit</b>	109,561	101,033	302,589	286,921
Operating expenses	(50,922)	(52,865)	(162,260)	(153,609)
Other operating income	5,651	3,919	18,903	15,787
<b>Operating profit</b>	64,290	52,087	159,232	149,099
Interest income	666	528	1,802	2,044
Finance costs	(15,184)	(10,026)	(42,908)	(28,282)
Share of profit in associated companies	16,185	7,077	41,346	30,644
<b>Profit before taxation</b>	65,957	49,666	159,472	153,505
Taxation	(11,455)	(6,629)	(30,076)	(24,726)
<b>Profit for the period</b>	54,502	43,037	129,396	128,779
<b>Profit attributable to:</b>				
Owners of the Company	44,892	33,599	97,470	102,993
Non-controlling interests	9,610	9,438	31,926	25,786
<b>Profit for the period</b>	54,502	43,037	129,396	128,779
<b>Earnings per ordinary share (sen) :-</b>				
(a) Basic	14.56	10.90	31.61	33.40
(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 2012.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER**  
**ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE**  
**QUARTER ENDED 31 MARCH 2013**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Restated Preceding Year Corresponding Quarter</b>	<b>Current Year - To-Date</b>	<b>Restated Preceding Year Corresponding Period</b>
	<b>31/03/2013 RM'000</b>	<b>31/03/2012 RM'000</b>	<b>31/03/2013 RM'000</b>	<b>31/03/2012 RM'000</b>
<b>Profit for the period</b>	54,502	43,037	129,396	128,779
Foreign currency translation differences for foreign operations	9,049	(25,935)	770	4,409
Fair value gain/(loss) on available-for-sale financial assets	(7,499)	3,373	4,388	(6,399)
<b>Total comprehensive income for the period</b>	<b>56,052</b>	<b>20,475</b>	<b>134,554</b>	<b>126,789</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	46,442	11,024	102,505	101,052
Non-controlling interests	9,610	9,451	32,049	25,737
<b>Total comprehensive income for the period</b>	<b>56,052</b>	<b>20,475</b>	<b>134,554</b>	<b>126,789</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 2012.**

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013**

	As At End of Current Quarter 31/03/2013 RM'000	Restated As At End of Preceding Financial Year 30/06/2012 RM'000	As At Beginning of Preceding Financial Year 01/07/2011 RM'000
<b>ASSETS</b>			
Property, plant and equipment	412,050	404,469	449,930
Investment properties	2,231	2,231	17,231
Investments in associated companies	325,549	291,665	273,600
Available-for-sale financial assets	718,597	471,109	172,993
Intangible assets	14,020	14,347	12,179
Deferred tax assets	8,705	8,609	8,960
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,481,152</b>	<b>1,192,430</b>	<b>934,893</b>
Inventories	217,885	220,747	196,082
Trade and other receivables	420,576	446,595	403,108
Current tax assets	16,039	14,417	21,433
Assets held for sale	-	48,030	-
Derivative financial assets	41	439	228
Cash and cash equivalents	401,429	215,617	376,155
<b>TOTAL CURRENT ASSETS</b>	<b>1,055,970</b>	<b>945,845</b>	<b>997,006</b>
<b>TOTAL ASSETS</b>	<b>2,537,122</b>	<b>2,138,275</b>	<b>1,931,899</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital	163,953	163,953	163,953
Reserves	1,034,559	981,793	894,646
Treasury shares - at cost	(63,318)	(63,318)	(63,318)
	1,135,194	1,082,428	995,281
<b>NON-CONTROLLING INTERESTS</b>	<b>118,451</b>	<b>102,767</b>	<b>114,157</b>
<b>TOTAL EQUITY</b>	<b>1,253,645</b>	<b>1,185,195</b>	<b>1,109,438</b>
<b>LIABILITIES</b>			
Borrowings (unsecured)	690,163	418,663	120,000
Deferred tax liabilities	10,401	10,414	13,253
Retirement benefits	18,702	17,809	15,779
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>719,266</b>	<b>446,886</b>	<b>149,032</b>
Trade and other payables	328,124	346,041	314,025
Borrowings (unsecured)	219,820	144,731	344,846
Derivative financial liabilities	1,520	2,285	-
Tax payable	14,747	13,137	14,558
<b>TOTAL CURRENT LIABILITIES</b>	<b>564,211</b>	<b>506,194</b>	<b>673,429</b>
<b>TOTAL LIABILITIES</b>	<b>1,283,477</b>	<b>953,080</b>	<b>822,461</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,537,122</b>	<b>2,138,275</b>	<b>1,931,899</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>3.68</b>	<b>3.51</b>	<b>3.23</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2012.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013**

	←----- 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	RM'000
<b>Current year-to-date ended 31 March 2013</b>										
At 1 July 2012 – previously reported	163,953	387,038	(86,068)	20,183	(41,459)	(63,318)	801,441	1,181,770	102,767	1,284,537
Effect of MFRS 1 adoption	-	-	104,343	-	-	-	(203,685)	(99,342)	-	(99,342)
At 1 July 2012 – restated	163,953	387,038	18,275	20,183	(41,459)	(63,318)	597,756	1,082,428	102,767	1,185,195
Profit for the period	-	-	-	-	-	-	97,470	97,470	31,926	129,396
Other comprehensive income										
- Foreign currency translation differences	-	-	647	-	-	-	-	647	123	770
- Gain on fair value adjustments	-	-	-	4,388	-	-	-	4,388	-	4,388
<b>Total comprehensive (expense)/ income for the period</b>	-	-	647	4,388	-	-	97,470	102,505	32,049	134,554
Dividends	-	-	-	-	-	-	(30,835)	(30,835)	(16,633)	(47,468)
Disposal of subsidiaries	-	-	(18,904)	-	-	-	-	(18,904)	268	(18,636)
<b>Total distribution to owners</b>	-	-	(18,904)	-	-	-	(30,835)	(49,739)	(16,365)	(66,104)
Transfer to capital redemption reserve	-	-	-	39	-	-	(39)	-	-	-
At 31 March 2013	163,953	387,038	18	24,610	(41,459)	(63,318)	664,352	1,135,194	118,451	1,253,645

**HONG LEONG INDUSTRIES BERHAD (5486-P)**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013 (cont'd)**

	←..... 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	
<b>Preceding year corresponding period ended 31 March 2012</b>										
At 1 July 2011 – previously reported	163,953	387,096	(104,343)	18,411	(41,459)	(63,318)	737,405	1,097,745	114,157	1,211,902
Effect of MFRS 1 adoption	-	-	104,343	-	-	-	(206,807)	(102,464)	-	(102,464)
At 1 July 2011 – restated	163,953	387,096	-	18,411	(41,459)	(63,318)	530,598	995,281	114,157	1,109,438
Profit for the period	-	-	-	-	-	-	102,993	102,993	25,786	128,779
Other comprehensive income/(expense)										
- Foreign currency translation differences	-	-	4,458	-	-	-	-	4,458	(49)	4,409
- Gain on fair value adjustments	-	-	-	(6,399)	-	-	-	(6,399)	-	(6,399)
<b>Total comprehensive income/(expense) for the period</b>	-	-	4,458	(6,399)	-	-	102,993	101,052	25,737	126,789
Dividends	-	-	-	-	-	-	(30,835)	(30,835)	(14,315)	(45,150)
Share issue expenses	-	(58)	-	-	-	-	-	(58)	-	(58)
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	(7,200)	(7,200)
<b>Total distribution to owners</b>	-	(58)	-	-	-	-	(30,835)	(30,893)	(21,515)	(52,408)
Transfer to capital redemption reserve	-	-	-	194	-	-	(194)	-	-	-
At 31 March 2012 - restated	163,953	387,038	4,458	12,206	(41,459)	(63,318)	602,562	1,065,440	118,379	1,183,819

Dividends received by the trust set up for the executive share option scheme (“ESOS”) (“ESOS Trust”) amounted to RM1,112,000 (2011/2012: RM1,112,000) are eliminated against the dividend expense of the Company following the consolidation of ESOS Trust.

**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 2012**

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED**  
**31 MARCH 2013**

	Current Year- To-Date	Restated Preceding Year Corresponding Period
	31/03/2013 RM'000	31/03/2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	159,472	153,505
Adjustments for:-		
Share of profit in associated companies	(41,346)	(30,644)
Depreciation and amortisation	37,528	39,650
Dividend income	(26,841)	(12,619)
Non cash items	(12,649)	(9,825)
Net financing costs	41,106	26,238
Operating profit before changes in working capital	<u>157,270</u>	<u>166,305</u>
Changes in working capital		
Net change in current assets	(23,538)	(15,585)
Net change in current liabilities	42,689	9,349
Taxation paid	(30,197)	(30,461)
Net financing costs paid	(41,106)	(26,238)
Dividend received	19,502	12,577
Retirement benefits paid	(402)	(305)
<b>Net cash generated from operating activities</b>	<u>124,218</u>	<u>115,642</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(49,876)	(19,527)
Proceeds from disposal of property, plant & equipment	2,493	12,252
Proceed from disposal of asset held for sale	51,558	-
Acquisition of available-for-sale financial assets	(272,419)	(295,574)
Proceed from disposal of available-for-sale financial assets	30,059	-
Net cash outflow from disposal of subsidiaries	(485)	-
Cash distribution to non-controlling shareholder	-	(7,200)
<b>Net cash used in investing activities</b>	<u>(238,670)</u>	<u>(310,049)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to owners of the Company	(30,835)	(30,835)
Dividend paid to non-controlling shareholders of subsidiaries	(16,633)	(14,315)
Drawdown of borrowings	510,081	493,812
Repayment of borrowings	(161,366)	(359,584)
Shares issue expenses	-	(58)
<b>Net cash generated from financing activities</b>	<u>301,247</u>	<u>89,020</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	186,795	(105,387)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	215,617	376,155
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(983)	318
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<u>401,429</u>	<u>271,086</u>

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

	31/03/2013 RM'000	31/03/2012 RM'000
Deposits, cash and bank balances	<u>401,429</u>	<u>271,086</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 2012

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 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 2012. 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 2012 except for the following transitional exemptions arising from the adoption of MFRS:

a) Foreign currency translation reserve

Foreign currency differences were previously recognised in other comprehensive income and accumulated in the foreign currency translation reserve (“FCTR”). As at the date of transition to MFRS 1, the cumulative amounts in the FCTR were reclassified to the retained earnings of the Group.

b) Property, plant and equipment

As at the date of transition to MFRS 1, certain property, plant & equipment previously stated at cost were fair valued and their fair values were regarded as deemed cost. The relevant differences were recognised to the retained earnings.

c) Investment properties

Investment properties were previously accounted for using fair value model where investment properties were initially measured at cost and subsequently at fair value with any change therein recognised in the profit or loss for the period in which they arose. The Group has elected to measure its investment properties using the cost model. As at the date of transition to MFRS 1, the fair value of the investment properties were regarded as deemed cost. However, this change in policy has not resulted in any financial impact on the interim financial report of the Group.

**HONG LEONG INDUSTRIES BERHAD (5486-P)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013****The figures have not been audited****1. Basis of preparation (cont'd)**

The reconciliations of the financial statements for the comparative periods are as follows:

**Condensed Consolidated Statements of Comprehensive Income**

*Reconciliation of the affected financial caption reported for the preceding year comparative quarter ended 31 March 2012*

	As previously reported	Effect of adoption of MFRS					As restated
	Preceding year corresponding quarter 31/03/2012 RM'000	RM'000 Note <sup>(i)</sup>	RM'000 Note 1(a)	RM'000 Note 1(b)	RM'000 Note 1(c)	Preceding year corresponding quarter 31/03/2012 RM'000	
Operating profit	52,079	-	-	8	-	52,087	
Share of profit in associated companies	6,305	772	-	-	-	7,077	
Profit before taxation	48,886	772	-	8	-	49,666	
Profit for the period	42,257	772	-	8	-	43,037	

*Reconciliation of the affected financial caption reported for the preceding year comparative period ended 31 March 2012*

	As previously reported	Effect of adoption of MFRS					As restated
	Preceding year corresponding period 31/03/2012 RM'000	RM'000 Note <sup>(i)</sup>	RM'000 Note 1(a)	RM'000 Note 1(b)	RM'000 Note 1(c)	Preceding year corresponding period 31/03/2012 RM'000	
Operating profit	149,074	-	-	25	-	149,099	
Share of profit in associated companies	28,328	2,316	-	-	-	30,644	
Profit before taxation	151,164	2,316	-	25	-	153,505	
Profit for the period	126,438	2,316	-	25	-	128,779	



**HONG LEONG INDUSTRIES BERHAD (5486-P)****QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2013****The figures have not been audited****1. Basis of preparation (cont'd)**

The reconciliation of the financial statements for the comparative periods are as follows: (cont'd)

**Condensed Consolidated Statements of Changes in Equity**

*Reconciliation of the affected financial caption reported as at 31 March 2012*

	As previously reported	Effect of adoption of MFRS			As restated	
	Preceding year corresponding period 31/03/2012 RM'000	RM'000 Note <sup>(i)</sup>	RM'000 Note 1(a)	RM'000 Note 1(b)	RM'000 Note 1(c)	Preceding year corresponding period 31/03/2012 RM'000
Exchange equalisation reserves	(99,885)	-	104,343	-	-	4,458
Retained earnings	807,028	(99,069)	(104,343)	(1,054)	-	602,562

Note <sup>(i)</sup> An associate of the Group has on the date of transition to MFRS 1, fair valued certain of its PPE and regarded them as deemed cost and adjusted foreign exchange losses that were previously capitalised into certain of its PPE. These related differences were adjusted to the associate's retained earnings and the Group had on even date, accounted for its share of these differences via its retained earnings accordingly. Adjustments on depreciation saving subsequent to the date of transition to MFRS1 have been adjusted accordingly via the Group's profit or loss.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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**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 31 March 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 31 March 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.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
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7. **Dividend paid**

During the financial year-to-date, the Company paid an interim dividend of 10.0 sen per share tax exempt amounting to RM31.9 million on 28 December 2012.

8. **Operating Segments**

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

	<b>Consumer products</b>	<b>Industrial products</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment profit</b>	119,312	16,689	136,001
Included in the measure of segment profit are:			
Revenue from external customers	1,067,915	568,030	1,635,945
Depreciation and amortisation	27,689	9,754	37,443
<b>Reconciliation of reportable segment profit</b>			
<b>Profit</b>			
Reportable segment			136,001
Non-reportable segment			23,231
Interest income			1,802
Finance costs			(42,908)
Share of profit in associated companies			41,346
Consolidated profit before taxation			<u>159,472</u>
		<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>
Reportable segment		1,635,945	37,443
Non-reportable segment		25,424	85
<b>Total</b>		<u>1,661,369</u>	<u>37,528</u>

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

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

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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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) Guotrade (Malaysia) Sdn Bhd, a wholly-owned subsidiary; and
- (d) 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) Hong Leong Industries Berhad ("HLI") has, on 26 January 2013, entered into a Share Sale Agreement ("Share Sale Agreement") with Mr Che Mingde ("Purchaser"), a German citizen, to dispose of its entire equity interest in MZ Motorrad- und Zweiradwerk GmbH ("MZG") to the Purchaser for cash consideration of EUR1.00 ("Disposal"). The Disposal has been completed on 27 February 2013 and accordingly, MZG ceased to be a wholly-owned subsidiary of the Company.

iii) MZ Engineering GmbH ("MZE"), an indirect wholly-owned subsidiary of the Company, has been placed under member's voluntary winding-up during the financial year ended 30 June 2008. During the quarter under review, the Commercial Register of Chemnitz, Germany has issued an official statement confirming that MZE has been dissolved.

iv) RZA Logistics Sdn Bhd ("RZAL"), a 59.1% owned-subsiary of the Company, has been placed under members' voluntary winding-up by its members pursuant to Section 254(1)(b) of the Companies Act, 1965. Mr. Ling Kam Hoong and Ms Wong Swee Tyng of Messrs Ling Kam Hoong & Co. have been appointed as joint liquidators of RZAL.

**11. Review of Performance**

For the quarter under review, the Group recorded a revenue of RM553.4 million as compared with RM559.4 million recorded in the corresponding quarter of the preceding year ended 30 June 2012 ("FY 2012"). Despite marginally lower revenue, the Group recorded a higher profit before taxation ("PBT") of RM66.0 million as compared with RM49.7 million recorded for the corresponding quarter of FY2012. This was mainly contributed by better operating margins, favourable US Dollar ("USD") payables as a result of the strengthening of the Ringgit Malaysia against the USD, coupled with higher profit from associated companies.

For the financial year-to-date, the Group recorded a revenue of RM1,661.4 million and a PBT of RM159.5 million as compared with revenue and PBT of RM1,588.1 million and RM153.5 million respectively for the corresponding period of FY 2012. The higher PBT was mainly contributed by higher revenue, better operating margins and higher profit from associated companies.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

**The figures have not been audited**

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

The Group recorded a higher PBT of RM66.0 million as compared with RM48.9 million recorded in the preceding quarter mainly contributed by better operating margins in the quarter under review.

**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 2013.

**14. Profit forecast / profit guaranteed**

This note is not applicable.

**15. Profit before taxation**

	<b>Current Year Quarter</b>	<b>Current Year To-date</b>
	<b>31/03/2013 RM'000</b>	<b>31/03/2013 RM'000</b>
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(18,066)	(25,424)
Depreciation and amortisation	12,482	37,528
Allowance for impairment loss on trade receivables	539	1,502
Inventories written off	3,952	4,406
Gain on disposal of quoted or unquoted investments or properties	(1,946)	(1,946)
Gain on foreign exchange	(1,874)	(4,181)
Fair value gain on derivative instruments	(146)	(367)
Impairment of property, plant and equipment	-	-
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**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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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
	31/03/2013 RM'000	31/03/2012 RM'000	31/03/2013 RM'000	31/03/2012 RM'000
Current taxation				
Malaysian - current year	11,451	6,179	30,045	21,747
- prior years	(16)	(34)	26	49
Overseas - current year	20	20	114	37
	<u>11,455</u>	<u>6,165</u>	<u>30,185</u>	<u>21,833</u>
Deferred taxation				
Malaysian - current year	-	435	-	1,746
- prior years	-	29	(109)	1,147
	<u>-</u>	<u>464</u>	<u>(109)</u>	<u>2,893</u>
	<u>11,455</u>	<u>6,629</u>	<u>30,076</u>	<u>24,726</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 being not taxable.

17. Corporate Proposals

There are no corporate proposals announced but not completed as at the date of this report other than as mentioned below:

The shareholders of Hong Leong Industries Berhad ("HLI" or "the Company") has, on 16 October 2012, approved the following:

- (a) termination of the existing ESOS of HLI, which was established in year 2006 ("Existing ESOS"); and
- (b) establishment of a new ESOS of up to 10% of the issued and paid-up share capital of HLI (excluding treasury shares) ("New ESOS")

The Company has, on 8 March 2013 ("Effective Date"), terminated the Existing ESOS and established the New ESOS. The New ESOS will be in force for a period of 10 years from the Effective Date.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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**The figures have not been audited**

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

Particulars of the Group's borrowings and debt securities as at 31 March 2013 are as follows:-

	<b>RM'000</b>
(i) Unsecured short term borrowings	219,820
(ii) Unsecured long term borrowings	690,163
	<u>909,983</u>

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

	<b>RM'000</b>
USD	<u>60,000</u>

**19. Changes in Material Litigation**

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

**20. Dividend**

- (a) The Board has declared a second interim dividend of 16.0 sen per share less tax for the quarter ended 31 March 2013 of the financial year ending 30 June 2013 (3<sup>rd</sup> quarter 2011/2012 : 12.0 sen per share tax exempt ) to be paid on 7 June 2013 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 17 May 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 17 May 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 16.0 sen per share less tax and 10.0 sen per share tax exempt (2011/2012: 4.0 sen per share less tax and 19.0 sen per share tax exempt) has been declared.

**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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**21. Earnings Per Ordinary Share**

(a) Basic earnings per ordinary share

The basic earnings per ordinary share for the quarter under review is calculated by dividing the Group's profit attributable to owners of the Company of RM44,892,000 (3<sup>rd</sup> quarter 2011/2012 (restated): RM33,599,000 ) and the weighted average number of ordinary shares during the quarter of 308,356,000 (3<sup>rd</sup> quarter 2011/2012: 308,356,000).

The calculation of basic earnings per ordinary share for the financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM97,470,000 (2011/2012 (restated): RM102,993,000) and the weighted average number of ordinary shares during the period of 308,356,000 (2011/2012: 308,356,000).

*Weighted average number of ordinary shares*

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2013 '000	Preceding Year Corresponding Quarter 31/03/2012 '000	Current Year- To-Date 31/03/2013 '000	Preceding Year Corresponding Period 31/03/2012 '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.



**HONG LEONG INDUSTRIES BERHAD (5486-P)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED**  
**31 MARCH 2013**

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**The figures have not been audited**

**22. Realised and unrealised profits /(losses) included in retained earnings**

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

	As At End of Current Quarter	Restated As At End of Preceding Financial Year
	31/03/2013 RM'000	30/06/2012 RM'000
Total retained earnings of the Company and the subsidiaries:-		
- realised	366,172	360,113
- unrealised	3,827	21,231
	<u>369,999</u>	<u>381,344</u>
Total share of retained earnings of associated companies:		
- realised	55,340	40,099
- unrealised	(3,609)	(731)
	<u>51,731</u>	<u>39,368</u>
Add: Consolidation adjustments	242,622	177,044
Group retained earnings	<u>664,352</u>	<u>597,756</u>

By Order of the Board  
Hong Leong Industries Berhad

Joanne Leong Wei Yin  
Company Secretary

Kuala Lumpur  
30 April 2013