



Hong Leong Industries

A Member of the Hong Leong Group

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2012

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2012

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Revenue	559,418	437,190	1,588,077	1,265,804
Cost of sales	(463,493)	(363,345)	(1,317,224)	(1,046,053)
Gross profit	95,925	73,845	270,853	219,751
Operating expenses	(47,765)	(32,405)	(137,566)	(81,987)
Other operating income	3,919	37,866	15,787	39,393
Operating profit	52,079	79,306	149,074	177,157
Interest income	528	738	2,044	1,906
Finance costs	(10,026)	(5,163)	(28,282)	(16,349)
Share of profit of associated companies	6,305	8,076	28,328	32,582
Profit before taxation	48,886	82,957	151,164	195,296
Taxation	(6,629)	(13,433)	(24,726)	(32,164)
Profit from continuing operations	42,257	69,524	126,438	163,132
Discontinued Operation (NI)				
Profit from discontinued operation, net of tax	-	7,278	-	70,432
Profit for the period	42,257	76,802	126,438	233,564
Profit attributable to:				
Owners of the Company	32,819	60,119	100,652	164,434
Non-controlling interests	9,438	16,683	25,786	69,130
Profit for the period	42,257	76,802	126,438	233,564
Earnings per ordinary share (sen) :-				
(a) Basic (N2)	10.64	21.24	32.64	61.21
(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 2011.

HONG LEONG INDUSTRIES BERHAD (5486-P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2012

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2012

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Profit for the period	42,257	76,802	126,438	233,564
Foreign currency translation differences for foreign operations	(25,935)	(8,328)	4,409	(28,332)
Fair value gain/(loss) on available-for-sale financial assets	3,373	-	(6,399)	-
Total comprehensive income for the period	19,695	68,474	124,448	205,232
Total comprehensive income attributable to:				
Owners of the Company	10,244	52,591	98,711	139,118
Non-controlling interests	9,451	15,883	25,737	66,114
Total comprehensive income for the period	19,695	68,474	124,448	205,232

(N1)

Malaysian Pacific Industries Berhad ("MPI") ceased to be a subsidiary of the Company at the end of the previous financial year ended 30.06.2011 ("MPI Demerger").

(N2)

The weighted average number of HLI Shares (net of treasury shares and Trust Shares) used in the calculation of basic earnings per ordinary shares for the quarter under review/financial year to date are 308,356,000 shares (corresponding quarter 2010/2011: 283,047,000 shares; corresponding period 2010/2011:268,627,000 shares).

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2011.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/03/2012 RM'000	30/06/2011 RM'000
ASSETS		
Property, plant and equipment	416,792	451,009
Investments properties	17,231	17,231
Investments in associated companies	384,180	374,985
Available-for-sale financial assets	461,978	172,993
Intangible assets	14,212	12,179
Deferred tax assets	7,842	8,960
TOTAL NON-CURRENT ASSETS	1,302,235	1,037,357
Inventories	221,196	196,082
Trade and other receivables	429,376	403,108
Tax recoverable	29,914	21,433
Assets held for sale	9,517	-
Derivative financial assets	792	228
Cash and cash equivalents	271,086	376,155
TOTAL CURRENT ASSETS	961,881	997,006
TOTAL ASSETS	2,264,116	2,034,363
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	163,953	163,953
Reserves	1,064,928	997,110
Treasury shares - at cost	(63,318)	(63,318)
	1,165,563	1,097,745
NON-CONTROLLING INTERESTS	118,379	114,157
TOTAL EQUITY	1,283,942	1,211,902
LIABILITIES		
Borrowings (unsecured)	378,663	120,000
Deferred tax liabilities	15,365	13,253
Retirement benefits	16,751	15,779
TOTAL NON-CURRENT LIABILITIES	410,779	149,032
Trade and other payables	333,672	314,025
Borrowings (unsecured)	220,409	344,846
Derivative financial liabilities	1,238	-
Tax payable	14,076	14,558
TOTAL CURRENT LIABILITIES	569,395	673,429
TOTAL LIABILITIES	980,174	822,461
TOTAL EQUITY AND LIABILITIES	2,264,116	2,034,363
Net assets per share attributable to owners of the Company (RM)	3.78	3.56

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2011

**HONG LEONG INDUSTRIES BERHAD (5486-P)
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The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Reserve for own shares RM'000	Treasury shares RM'000	Distributable Retained profits RM'000	
Current year-to-date ended 31 March 2012	163,953	387,096	(85,932)	(41,459)	(63,318)	737,405	1,211,902
At 1 July 2011	-	-	-	-	-	100,652	126,438
Profit for the period	-	-	-	-	-	100,652	25,786
Other comprehensive income	-	-	4,458	-	-	-	4,409
- Foreign currency translation differences	-	-	(6,399)	-	-	-	(6,399)
- Loss on fair value adjustments	-	-	(1,941)	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	100,652	25,737
Dividends	-	-	-	-	-	(30,835)	(14,315)
Share issue expenses	-	(58)	-	-	-	-	(58)
Liquidation of a subsidiary	-	-	-	-	-	-	(7,200)
Total distribution to owners	-	(58)	-	-	-	(30,835)	(21,515)
Transfer to capital redemption reserve	-	-	194	-	-	(194)	-
At 31 March 2012	163,953	387,038	(87,679)	(41,459)	(63,318)	807,028	1,283,942

**HONG LEONG INDUSTRIES BERHAD (5486-P)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012 (Cont'd)

	Attributable to owners of the Company									
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Reserve for own shares RM'000	Share option reserve RM'000	Treasury shares RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Preceding year corresponding period ended 31 March 2011	140,573	586,926	(57,748)	(54,374)	442	(63,318)	835,850	1,388,351	638,094	2,026,445
At 1 July 2010	-	-	-	-	-	-	164,434	164,434	69,130	233,564
Profit for the period	-	-	(25,316)	-	-	-	-	(25,316)	(3,016)	(28,332)
Other comprehensive income	-	-	(25,316)	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	(25,316)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(25,316)	-	-	-	164,434	139,118	66,114	205,232
Dividends	-	-	-	-	-	-	(26,157)	(26,157)	(60,509)	(86,666)
Issue of shares	103,247	362,473	-	-	-	-	-	465,720	-	465,720
Purchase of Trust Shares	-	-	-	(7,880)	-	-	-	(7,880)	-	(7,880)
Purchase of Trust Shares by a subsidiary	-	-	(4,080)	-	-	-	-	(4,080)	(2,570)	(6,650)
Share-based payments by a subsidiary	-	-	264	-	(442)	-	442	264	326	590
Total distribution to owners	103,247	362,473	(3,816)	(7,880)	(442)	-	(25,715)	427,867	(62,753)	365,114
Change in equity in a subsidiary	-	-	-	-	-	-	-	-	(630)	(630)
Transfer of capital reserves	-	-	789	-	-	-	(789)	-	-	-
Transfer to capital redemption reserve	-	-	390	-	-	-	(390)	-	-	-
Shares issued by a subsidiary	-	-	-	-	-	-	-	-	538	538
At 31 March 2011	243,820	949,399	(85,701)	(62,254)	-	(63,318)	973,390	1,955,336	641,363	2,596,699

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 2011

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2012

	Current Year- To-Date 31/03/2012 RM'000	Preceding Year Corresponding Period 31/03/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- From continuing operations	151,164	195,296
- From discontinued operations	-	78,135
	<u>151,164</u>	<u>274,341</u>
Adjustments for:-		
Share of profit of associated companies	(28,328)	(32,582)
Depreciation and amortisation	39,675	171,538
Non cash items	(22,444)	(47,688)
Net financing costs	26,238	18,051
Operating profit before changes in working capital	<u>166,305</u>	<u>382,750</u>
Changes in working capital		
Net change in current assets	(15,585)	(37,129)
Net change in current liabilities	9,349	(28,716)
Taxation paid	(30,461)	(23,467)
Net financing costs paid	(26,238)	(18,197)
Dividend received	12,577	4,191
Retirement benefits paid	(305)	(477)
Net cash generated from operating activities	<u>115,642</u>	<u>278,955</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(19,527)	(252,659)
Proceeds from disposal of property, plant & equipment	12,252	62,144
Acquisition of available-for-sale financial assets	(295,574)	(80,000)
Cash distribution to non-controlling shareholder of a subsidiary	(7,200)	-
Acquisition of a subsidiary, net of cash and cash equivalent acquired	-	42,761
Issue of shares by a subsidiary company to non controlling shareholder	-	538
Net cash used in investing activities	<u>(310,049)</u>	<u>(227,216)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(30,835)	(26,157)
Dividend paid to non-controlling shareholders of subsidiaries	(14,315)	(60,509)
Drawdown of borrowings	493,812	306,898
Repayment of borrowings	(359,584)	(392,485)
Shares issue expenses	(58)	(1,096)
Purchase of Trust Shares	-	(14,530)
Renounceable rights issue	-	231,616
Net cash generated from financing activities	<u>89,020</u>	<u>43,737</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(105,387)	95,476
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	376,155	429,160
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	318	(1,509)
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>271,086</u>	<u>523,127</u>

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	31/03/2012 RM'000	31/03/2011 RM'000
Deposits, cash and bank balances	271,086	523,127
	<u>271,086</u>	<u>523,127</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 2011

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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 2011.

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 2011 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 2011 and 1 July 2011 respectively.

The adoption of relevant FRSs, Amendments to FRSs and IC Interpretations are not expected to have any significant 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.

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 2012 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 HLI shares purchased by the ESOS Trust during the quarter under review and financial year-to-date. The total number of HLI shares purchased by the ESOS Trust as at 31 March 2012 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

During the financial year-to-date, the Company paid an interim dividend of 4.0 sen per share less tax and 7.0 sen per share tax exempt amounting to RM31.9 million on 22 December 2011.

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	112,240	29,849	142,089
Included in the measure of segment profit are:			
Revenue from external customers	1,002,591	574,956	1,577,547
Depreciation and amortisation	28,568	10,879	39,447
Reconciliation of reportable segment profit			
Profit			
Reportable segment			142,089
Non-reportable segment			6,985
Interest income			2,044
Finance costs			(28,282)
Share of profit of associated companies			28,328
Consolidated profit before taxation			151,164
		External revenue RM'000	Depreciation and amortisation RM'000
Reportable segment		1,577,547	39,447
Non-reportable segment		10,530	228
Total		1,588,077	39,675

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.

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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) Prester Sdn Bhd (“Prester”), a wholly-owned subsidiary of the Company, has been placed under member’s voluntary liquidation 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. had been appointed as Joint Liquidator of Prester.
- (ii) 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;
 - (d) MZ Engineering GmbH, an indirect wholly-owned subsidiary; and
 - (e) Century Touch Sdn Bhd (“CT”) (formerly known as Guocera Tile Industries (Labuan) Sdn Bhd), a 70% owned subsidiary of Guocera Holdings Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company;

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.

13. Review of Performance

For the quarter under review, the Group recorded a revenue of RM559.4 million and profit before taxation (“PBT”) of RM48.9 million as compared with a revenue of RM437.2 million and PBT of RM83.0 million recorded in the corresponding quarter of the preceding year ended 30 June 2011 (“FY 2011”).

For the financial year-to-date, the Group recorded a revenue of RM1,588.1 million and PBT of RM151.2 million as compared with a revenue of RM1,265.8 million and PBT of RM195.3 million in the corresponding period of FY 2011.

The aforesaid revenue and PBT for the corresponding quarter and period of FY 2011 were not inclusive of the results of Malaysian Pacific Industries Berhad (“MPI”) which were disclosed separately under the caption “Discontinued Operations”. MPI ceased to be a subsidiary of the Company at the end of FY 2011.

Included in PBT for the corresponding quarter and period was a gain of RM46.7 million arising from disposal of a property and negative goodwill on acquisition of the entire equity interest in Hume Industries (Malaysia) Sdn Bhd. Other than these, there were no material changes to the businesses of the Group except for the motorcycle business which was affected by the disruption of imported parts from Thailand which has since recovered.

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

For the quarter under review, the Group recorded a PBT of RM48.9 million as compared with a PBT of RM44.3 million recorded in the preceding quarter. The higher PBT of the Group was mainly attributable to the higher profit contribution from the consumer products business following the recovery of the motorcycle business which was affected by the disruption of imported parts from Thailand in the preceding quarter. The increase in profit was partly offset by lower contribution from the associated companies. There were no material differences in the profit for industrial products business as compared with the preceding quarter.

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15. 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 2012.

16. Profit forecast / profit guaranteed

This note is not applicable.

17. Profit before tax

	Current Year Quarter	Current Year To-date
	31/03/2012 RM'000	31/03/2012 RM'000
Profit before tax is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(5,209)	(12,619)
Depreciation and amortization	13,099	39,675
Impairment loss on trade receivables	851	421
Inventories written back	(1,831)	(2,585)
Gain on foreign exchange	(2,204)	(3,192)
Fair value (gain)/loss on derivative instruments	(1,481)	674
Negative goodwill realised on liquidation of a subsidiary	-	(1,120)
(Gain)/loss on disposal of quoted or unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-

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18. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- to-date	Preceding Year Corresponding Period
	31/03/2012 RM'000	31/03/2011 RM'000	31/03/2012 RM'000	31/03/2011 RM'000
Continuing operations				
Current tax				
Malaysian - current year	6,179	11,704	21,747	30,408
- prior years	(34)	132	49	132
Overseas - current year	20	-	37	-
	<u>6,165</u>	<u>11,836</u>	<u>21,833</u>	<u>30,540</u>
Deferred tax				
Malaysian - current year	435	1,711	1,746	1,738
- prior years	29	(114)	1,147	(114)
	<u>464</u>	<u>1,597</u>	<u>2,893</u>	<u>1,624</u>
Income tax attributable to continuing operations	6,629	13,433	24,726	32,164
Income tax attributable to discontinued operations	-	1,223	-	7,703
	<u>6,629</u>	<u>14,656</u>	<u>24,726</u>	<u>39,867</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 not taxable.

19. Corporate Proposals

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

20. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 31 March 2012 are as follows:-

	RM'000
(i) Unsecured short term borrowings	220,409
(ii) Unsecured long term borrowings	378,663
	<u>599,072</u>

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

USD	60,000
VND	<u>1,764</u>

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21. Changes in Material Litigation

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

22. Dividend

- (a) The Board has declared a second interim dividend of 12.0 sen per share tax exempt for the quarter ended 31 March 2012 of the financial year ending 30 June 2012 (3rd quarter 2010/2011 : 1.5 sen per share less tax and 9.0 sen per share tax exempt) to be paid on 8 June 2012 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 16 May 2012.

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 16 May 2012 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 4.0 sen per share less tax and 19.0 sen per share tax exempt (2010/2011: 1.5 sen per share less tax and 19.0 sen per share tax exempt) has been declared.

23. Earnings Per Ordinary Share

(a) 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 owners of the Company of RM32,819,000 (3rd quarter 2010/2011: RM60,119,000) and the weighted average number of ordinary shares during the quarter of 308,356,000 (3rd quarter 2010/2011: 283,047,000).

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 RM100,652,000 (2010/2011: RM164,434,000) and the weighted average number of ordinary shares during the period of 308,356,000 (2010/2011: 268,627,000).

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23. Earnings Per Ordinary Share

(a) Basic earnings per ordinary share

Weighted average number of ordinary shares

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2012 '000	Preceding Year Corresponding Quarter 31/03/2011 '000	Current Year- To-Date 31/03/2012 '000	Preceding Year Corresponding Period 31/03/2011 '000
Issued ordinary shares at beginning of period	327,905	281,145	327,905	281,145
Treasury shares held at beginning of period	(8,432)	(8,431)	(8,432)	(8,431)
Trust Shares held at beginning of period	(11,117)	(11,140)	(11,117)	(11,140)
	308,356	261,574	308,356	261,574
Effect of issue of ordinary shares	-	21,517	-	7,068
Effect of transfer of HLI Shares from ESOS Trust to an Option Holder	-	18	-	5
Effect of purchase of HLI Shares by ESOS Trust	-	(62)	-	(20)
Weighted average number of ordinary shares (basic)	308,356	283,047	308,356	268,627

(b) Diluted earnings per ordinary share

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

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The figures have not been audited

24. Realised and unrealised profits /losses included in retained profits

The retained profits as at 31 March 2012 and 30 June 2011 are analysed as follows:-

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/03/2012 RM'000	30/06/2011 RM'000
Total retained profits of the Company and the subsidiaries:-		
-Realised	407,484	279,410
-Unrealised	(11,159)	(9,129)
	<u>396,325</u>	<u>270,281</u>
Total share of retained profits from associated companies:		
-Realised	142,129	116,251
-Unrealised	923	2,512
	<u>143,052</u>	<u>118,763</u>
Add: Consolidation adjustments	267,651	348,361
Total group retained profits	<u>807,028</u>	<u>737,405</u>

By Order of the Board
Hong Leong Industries Berhad

Joanne Leong Wei Yin
Company Secretary

Kuala Lumpur
26 April 2012