

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2017

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	585,824	555,028	1,713,103	1,617,026
Cost of sales	(477,190)	(459,330)	(1,388,236)	(1,325,504)
Gross profit	108,634	95,698	324,867	291,522
Operating expenses	(45,174)	(43,424)	(142,126)	(134,642)
Other operating (expenses)/income	(630)	1,150	(3,835)	12,644
Operating profit	62,830	53,424	178,906	169,524
Interest income	683	500	1,922	1,985
Finance costs	(1,515)	(1,521)	(4,428)	(4,824)
Share of profit in associated companies, net of tax	40,604	30,365	108,622	79,160
Profit before taxation	102,602	82,768	285,022	245,845
Taxation	(15,455)	(13,197)	(41,514)	(38,848)
Profit for the period	87,147	69,571	243,508	206,997
Profit attributable to:				
Owners of the Company	74,223	58,653	207,656	177,728
Non-controlling interests	12,924	10,918	35,852	29,269
Profit for the period	87,147	69,571	243,508	206,997
Earnings per ordinary share (sen) :-				
(a) Basic	24.02	19.02	67.27	57.63
(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 2016.

HONG LEONG INDUSTRIES BERHAD (5486-P)
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
 31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2017 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 RM'000
Profit for the period	87,147	69,571	243,508	206,997
Foreign currency translation differences for foreign operations	(2,227)	(21,213)	17,727	368
Gain/(loss) on fair value of available-for-sale financial assets	667	671	(4,669)	(7,243)
Cash flow hedge	1,035	(38)	(558)	(914)
Total comprehensive income for the period	86,622	48,991	256,008	199,208
Total comprehensive income attributable to:				
Owners of the Company	73,698	38,289	220,156	170,174
Non-controlling interests	12,924	10,702	35,852	29,034
Total comprehensive income for the period	86,622	48,991	256,008	199,208

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 2016.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/03/2017 RM'000	30/06/2016 RM'000
ASSETS		
Property, plant and equipment	355,119	375,029
Investment properties	4,000	4,000
Investments in associated companies	479,127	385,310
Other investments	64,736	61,278
Intangible assets	16,557	15,585
Deferred tax assets	3,529	3,083
Tax credit receivables	5,646	5,646
Other receivable	5,878	-
TOTAL NON-CURRENT ASSETS	<u>934,592</u>	<u>849,931</u>
Inventories	230,387	205,600
Trade and other receivables	422,654	411,358
Current tax assets	15,878	14,032
Derivative financial assets	170	299
Cash and cash equivalents	491,770	399,503
TOTAL CURRENT ASSETS	<u>1,160,859</u>	<u>1,030,792</u>
TOTAL ASSETS	<u><u>2,095,451</u></u>	<u><u>1,880,723</u></u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	316,906	163,953
Reserves	1,223,433	1,202,151
Treasury shares - at cost	(63,318)	(63,318)
	<u>1,477,021</u>	<u>1,302,786</u>
NON-CONTROLLING INTERESTS		
	<u>114,978</u>	<u>97,163</u>
TOTAL EQUITY	<u>1,591,999</u>	<u>1,399,949</u>
LIABILITIES		
Deferred tax liabilities	12,739	12,736
Deferred income	4,582	4,996
Employee benefits	24,910	24,042
TOTAL NON-CURRENT LIABILITIES	<u>42,231</u>	<u>41,774</u>
Trade and other payables	326,163	295,273
Borrowings (unsecured)	112,884	127,965
Tax payable	20,604	15,762
Derivative financial liabilities	1,570	-
TOTAL CURRENT LIABILITIES	<u>461,221</u>	<u>439,000</u>
TOTAL LIABILITIES	<u>503,452</u>	<u>480,774</u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,095,451</u></u>	<u><u>1,880,723</u></u>
Net assets per share attributable to owners of the Company (RM)	4.78	4.22

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2016.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	Attributable to owners of the Company										Non-controlling interest	Total equity	
	Non-distributable					Distributable							
	Share capital	Share premium	Exchange equalisation reserve	Fair value reserve	Hedging reserve	Other reserves	Reserve for own shares	Executive share scheme reserve	Treasury shares	Retained earnings	Total		
	RM'000	RM'000	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 31 March 2017													
At 1 July 2016	163,953	152,953	35,073	32,303	146	21,914	(32,938)	2,537	(63,318)	990,163	1,302,786	97,163	1,399,949
Profit for the period	-	-	-	-	-	-	-	-	-	207,656	207,656	35,852	243,508
Other comprehensive income/(expense)													
- Foreign currency translation differences	-	-	7,716	-	-	-	-	-	-	10,011	17,727	-	17,727
- Gain on fair value of available-for-sale financial assets	-	-	-	(4,669)	-	-	-	-	-	-	(4,669)	-	(4,669)
- Cash flow hedge	-	-	-	-	(558)	-	-	-	-	-	(558)	-	(558)
Total comprehensive income/(expense) for the period	-	-	7,716	(4,669)	(558)	-	-	-	-	217,667	220,156	35,852	256,008
Share-based payments	-	-	-	-	-	-	-	(472)	-	794	322	282	604
ESS shares exercised	-	-	-	-	-	-	3,132	-	-	(3,132)	-	-	-
Disposal of trust shares	-	-	-	-	-	-	85	-	-	-	85	-	85
Dividends	-	-	-	-	-	-	-	-	-	(46,328)	(46,328)	(18,319)	(64,647)
Total transactions with owners of the Company	-	-	-	-	-	-	3,217	(472)	-	(48,666)	(45,921)	(18,037)	(63,958)
Reclassification pursuant to S618(2) of CA 2016*	152,953	(152,953)											
At 31 March 2017	316,906	-	42,789	27,634	(412)	21,914	(29,721)	2,065	(63,318)	1,159,164	1,477,021	114,978	1,591,999

*Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any outstanding share premium and capital redemption reserve accounts shall become part of share capital.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

	←----- Attributable to owners of the Company ----->												
	←----- Non-distributable ----->									Distributable			Total equity
	Share capital	Share premium	Exchange equalisation reserve	Fair value reserve	Hedging reserve	Other reserves	Reserve for own shares	Executive share scheme reserve	Treasury shares	Retained earnings	Total	Non-controlling interest	
RM'000	RM'000	RM'000	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 31 March 2016													
At 1 July 2015	163,953	152,953	30,064	41,736	-	21,914	(33,140)	1,327	(63,318)	872,332	1,187,821	106,656	1,294,477
Profit for the period	-	-	-	-	-	-	-	-	-	177,728	177,728	29,269	206,997
Other comprehensive income/(expense)													
- Foreign currency translation differences	-	-	368	-	-	-	-	-	-	-	368	-	368
- Loss on fair value of available-for-sale financial assets	-	-	-	(7,243)	-	-	-	-	-	-	(7,243)	-	(7,243)
- Cash flow hedge	-	-	-	-	(679)	-	-	-	-	-	(679)	(235)	(914)
Total comprehensive income/(expense) for the period	-	-	368	(7,243)	(679)	-	-	-	-	177,728	170,174	29,034	199,208
Dividends	-	-	-	-	-	-	-	-	-	(40,094)	(40,094)	(15,260)	(55,354)
Share-based payments	-	-	-	-	-	-	-	1,181	-	-	1,181	-	1,181
Cash distribution from a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(180)	(180)
Total transactions with owners of the Company	-	-	-	-	-	-	-	1,181	-	(40,094)	(38,913)	(15,440)	(54,353)
At 31 March 2016	163,953	152,953	30,432	34,493	(679)	21,914	(33,140)	2,508	(63,318)	1,009,966	1,319,082	120,250	1,439,332

Dividends received by trust set up for the Executives Share Scheme ("ESS") ("ESS Trust") amounted to RM1,593,000 (2015/2016: RM1,438,000) are eliminated against the dividend expenses of the Company following the consolidation of ESS 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 2016.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2017

	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2017	31/03/2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	285,022	245,845
Adjustments for:-		
Share of profit in associated companies, net of tax	(108,621)	(79,160)
Depreciation and amortisation	44,489	44,301
Dividend income	(9,908)	(7,239)
Non cash items	(5,729)	(4,337)
Net financing costs	2,506	2,842
Operating profit before changes in working capital	207,759	202,252
Changes in working capital		
Net change in current assets	(43,862)	(8,887)
Net change in current liabilities	27,533	16,342
Taxation paid	(38,778)	(46,606)
Net financing costs received /(paid)	(2,506)	(2,842)
Dividend received	41,858	40,264
Retirement benefits paid	(153)	(201)
Net cash generated from operating activities	191,851	200,322
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(26,010)	(45,907)
Proceeds from disposal of property, plant & equipment	783	6,335
Cash distribution to non-controlling shareholder of a subsidiary company	-	(180)
Net cash used in investing activities	(25,227)	(39,752)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(46,328)	(40,094)
Dividend paid to non-controlling shareholders of subsidiary companies	(18,319)	(15,260)
Exercise of Trust shares	4,416	-
Disposal of Trust Shares	279	-
Drawdown of borrowings	154,949	190,965
Repayment of borrowings	(170,030)	(225,646)
Net cash used in financing activities	(75,033)	(90,035)
NET CHANGE IN CASH AND CASH EQUIVALENTS	91,591	70,535
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	399,503	307,043
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	676	736
CASH & CASH EQUIVALENTS AT END OF PERIOD	491,770	378,314

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

	31/03/2017	31/03/2016
	RM'000	RM'000
Deposits, cash and bank balances	491,770	378,314

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2016.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

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 2016. This interim financial report also complies with International Accounting Standards 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 2016.

The Group has adopted the MFRSs, amendments and interpretations effective for annual period beginning on or after 1 January 2016 where applicable to the Group. The initial adoption of these applicable MFRSs, 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 31 March 2017 was 8,432,500 shares and the shares are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

(b) During the quarter under review, a total of 28,600 existing ordinary shares in the Company held in ESS Trust were sold to market; and

During the quarter under review, a total of 672,000 existing ordinary shares in the Company held in ESS Trust were transferred to the option holders arising from the exercise of options pursuant to the ESS at an exercise price of RM4.23 per share.

During the financial year-to-date, a total of 1,044,000 existing ordinary shares in the Company held in the ESS Trust were transferred to the option holders arising from the exercise of options pursuant to the ESS at an exercise price of RM4.23 per share.

There were no additional shares purchased by the ESS Trust during the quarter under review and financial year-to-date.

As at 31 March 2017, the total number of shares held by the ESS Trust was 9,917,783 ordinary shares.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

7. Dividend paid

During the financial year-to-date, the Company paid an interim single tier dividend of 15.0 sen per share amounting to RM46 million on 8 December 2016.

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	162,976	10,005	172,981
Included in the measure of segment profit are:			
Revenue from external customers	1,297,829	408,399	1,706,228
Depreciation and amortisation	34,393	10,049	44,442
Reconciliation of reportable segment profit			
Profit			
Reportable segment			172,981
Non-reportable segment			5,924
Interest income			1,922
Finance costs			(4,428)
Share of profit in associated companies, net of tax			108,622
Consolidated profit before taxation			285,021
		External revenue RM'000	Depreciation and amortisation RM'000
Reportable segment		1,706,228	44,442
Non-reportable segment		6,875	47
Total		1,713,103	44,489

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.

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) Varinet Sdn Bhd, a 60% subsidiary;
- (b) Century Touch Sdn Bhd, a 70% indirect-owned subsidiary; and

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

10. Changes in the composition of the Group (cont'd)

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) Taman Terang Sdn Bhd (“TT”), a wholly-owned subsidiary of the Company, has been placed under member’s voluntary liquidation pursuant to Section 459 of the Companies Act, 2016. The joint liquidators have convened a Final Meeting to conclude the member’s voluntary liquidation and accordingly, TT will be dissolved on 22 May 2017.

11. Review of Performance

For the quarter under review, the Group recorded a revenue of RM586 million and profit before taxation (“PBT”) of RM103 million as compared with a revenue and PBT of RM555 million and RM83 million respectively for the corresponding quarter of the preceding year ended 30 June 2016 (“FY 2016”).

For the financial year-to-date, the Group recorded a revenue of RM1,713 million and PBT of RM285 million as compared with a revenue of RM1,617 million and PBT of RM246 million respectively for the corresponding period of FY 2016.

The increase in PBT was mainly due to higher sales revenue from the consumer products segment attributed to favourable sales mix and higher profit contribution from an associated company.

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

For the quarter under review, the Group recorded a PBT of RM103 million as compared with a PBT of RM91 million recorded in the preceding quarter. The increase in PBT was mainly attributed to higher sales revenue from the consumers products segment and higher profit contribution from an associated company as well as lower operating expenses.

13. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance for both the consumer products and industrial products segments to be satisfactory for the financial year ending 30 June 2017.

14. Profit forecast / profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year To-date
	31/03/2017 RM'000	31/03/2017 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(3,522)	(9,908)
Depreciation and amortisation	15,302	44,489
Allowance of impairment and write off of trade receivables	684	1,529
Provision for and write off of inventories	3,122	6,085
Gain on foreign exchange	1,590	5,605
Fair value loss on financial instruments designated as hedge instrument	247	964
Share-based payments	833	774
Gain on disposal of a property	-	-
Impairment of property, plant and equipment	-	-

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- to-date	Preceding Year Corresponding Period
	31/03/2017 RM'000	31/03/2016 RM'000	31/03/2017 RM'000	31/03/2016 RM'000
Current taxation				
Malaysian - current year	13,338	12,834	40,056	38,447
- prior years	2,127	350	1,794	350
Overseas - current year	(10)	-	11	38
- prior years	-	-	(80)	-
	15,455	13,184	41,781	38,835
Deferred taxation				
Malaysian - current year	-	13	-	13
- prior years	-	-	(267)	-
	-	13	(267)	13
	15,455	13,197	41,514	38,848

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

17. **Corporate Proposals**

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

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

Particulars of the Group's borrowings and debt securities as at 31 March 2017 are as follows:-

	RM'000
Unsecured short term borrowings	112,884

There were no borrowings denominated in foreign currencies as at 31 March 2017.

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 single tier dividend of 20.0 sen per share and a special interim single tier dividend of 10.0 sen per share for the quarter ended 31 March 2017 of the financial year ended 30 June 2017 (3rd quarter 2015/2016: a second interim single tier dividend of 19.0 sen per share and a special interim single tier dividend of 10.0 sen per share) to be paid on 30 May 2017 to holders of the ordinary shares whose names appear in the Record of Depositors at the close of business on 16 May 2017.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

The figures have not been audited

20. Dividend (cont'd)

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

- (i) shares transferred into Depositor's securities before 4.00p.m. on 16 May 2017 in respect or ordinary transfer; and
 - (ii) shares bought on Bursa Malaysia Securities Berhad on sum entitlement basis according to the Bursa Malaysia Securities Berhad's Listing Requirements
- (b) For the financial year-to-date, a total of 45.0 sen per share, single tier dividend of 35.0 sen per share and a special single tier dividend of 10.0 sen per share (2015/2016: single tier dividend of 32.0 sen per share and special single tier dividend of 10.0 sen per share), 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 is calculated by dividing the Group's profit attributable to owners of the Company of RM74,223,000 (3rd quarter 2015/2016: RM58,653,000) by the weighted average number of ordinary shares during the quarter of 308,971,000 (3rd quarter 2015/2016: 308,414,000).

The 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 RM207,656,000 (3rd quarter 2015/2016: RM177,728,000) by the weighted average number of ordinary shares during the quarter of 308,697,000 (3rd quarter 2015/2016: 308,414,000).

	<i>Weighted average number of ordinary shares</i>			
	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	31/03/2017 '000	31/03/2016 '000	31/03/2017 '000	31/03/2016 '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	(10,618)	(11,059)	(10,990)	(11,059)
	308,855	308,414	308,483	308,414
Effect of Trust Shares vested	116	-	214	-
Weighted average number of ordinary shares (basic)	308,971	308,414	308,697	308,414

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2017

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
	31/03/2017 RM'000	30/06/2016 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- realised	1,116,255	1,001,463
- unrealised	10,708	(1,782)
	<u>1,126,963</u>	<u>999,681</u>
Total share of retained earnings of associated companies:		
- realised	178,103	100,910
- unrealised	5,631	6,114
	<u>183,734</u>	<u>107,024</u>
Less: Consolidation adjustments	(151,533)	(116,542)
Group retained earnings	<u>1,159,164</u>	<u>990,163</u>

By Order of the Board
 Hong Leong Industries Berhad

Joanne Leong Wei Yin
 Valerie Mak Mew Chan
 Company Secretaries

Kuala Lumpur
 25 April 2017