

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2022

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Revenue	635,241	745,959	1,689,303	2,169,298
Cost of sales	(508,180)	(562,138)	(1,371,268)	(1,694,067)
Gross profit	127,061	183,821	318,035	475,231
Operating expenses	(41,247)	(39,337)	(113,297)	(112,593)
Other operating income	5,268	4,917	16,740	20,875
Operating profit	91,082	149,401	221,478	383,513
Interest income	5,961	619	6,795	1,232
Finance costs	(386)	(466)	(1,154)	(1,581)
Share of profit in associated companies, net of tax	12,637	12,441	20,722	28,318
Profit before taxation	109,294	161,995	247,841	411,482
Taxation	(27,497)	(32,296)	(65,316)	(85,669)
Profit from continuing operations	81,797	129,699	182,525	325,813
Profit from discontinued operations, net of tax (N1)	-	3,302	-	9,006
Profit for the period	81,797	133,001	182,525	334,819
Profit attributable to:				
Owners of the Company	63,828	101,082	138,262	252,043
Non-controlling interests	17,969	31,919	44,263	82,776
Profit for the period	81,797	133,001	182,525	334,819
Earnings per ordinary share (sen): -				
(a) Basic	20.30	32.16	43.98	80.21
(b) Fully diluted	N/A	N/A	N/A	N/A

(N1) Kensington Edge Sdn Bhd ("KESB") (formerly known as Hume Marketing Co Sdn. Bhd.) and Micalux Sdn Bhd ("MXSB") (formerly known as Hume Roofing Products Sdn. Bhd.), both wholly-owned subsidiaries of the Company had ceased business operations in June 2020. Accordingly, the financial results of KESB and MXSB were separately disclosed as discontinued operations.

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2022 (Cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Profit for the period	81,797	133,001	182,525	334,819
Other comprehensive income/(expense), net of tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Net change in fair value of equity investments at fair value through other comprehensive income	(28,719)	28,278	(5,104)	61,969
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences from foreign operations	50	114	45	34
Share of other comprehensive income/(expense) of equity accounted associates, net of tax	1,494	4,497	2,866	(3,077)
Cash flow hedge	221	1,674	(364)	535
Total other comprehensive income for the period	(26,954)	34,563	(2,557)	59,461
Total comprehensive income for the period	54,843	167,564	179,968	394,280
Total comprehensive income attributable to:				
Owners of the Company	36,726	135,133	135,736	311,340
Non-controlling interests	18,117	32,431	44,232	82,940
Total comprehensive income for the period	54,843	167,564	179,968	394,280

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 2021.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH
2022

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/03/2022 RM'000	30/06/2021 RM'000
ASSETS		
Property, plant and equipment	239,066	259,585
Right-of-use assets	27,478	29,064
Investment property	4,000	4,000
Investments in associated companies	185,136	165,149
Other investments	88,542	93,395
Intangible assets	19,735	19,128
Deferred tax assets	25,112	25,112
Tax credit receivable	960	960
TOTAL NON-CURRENT ASSETS	590,029	596,393
Inventories	348,402	302,692
Trade and other receivables, including derivatives	265,287	202,023
Current tax assets	2,640	2,467
Short-term money market funds and term investment account-i	148,390	233,308
Cash and cash equivalents	1,222,081	1,029,139
TOTAL CURRENT ASSETS	1,986,800	1,769,629
TOTAL ASSETS	2,576,829	2,366,022
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	321,217	321,217
Reserves	1,699,931	1,608,540
Treasury shares - at cost	(63,318)	(63,318)
	1,957,830	1,866,439
NON-CONTROLLING INTERESTS		
	171,801	147,738
TOTAL EQUITY	2,129,631	2,014,177
LIABILITIES		
Lease liabilities	5,056	8,423
Deferred tax liabilities	5,357	5,357
Employee benefits	24,099	23,043
TOTAL NON-CURRENT LIABILITIES	34,512	36,823
Borrowings (unsecured)	19,040	12,600
Lease liabilities	4,880	3,740
Trade and other payables, including derivatives	347,867	277,418
Tax payable	40,899	21,264
TOTAL CURRENT LIABILITIES	412,686	315,022
TOTAL LIABILITIES	447,198	351,845
TOTAL EQUITY AND LIABILITIES	2,576,829	2,366,022
Net assets per share attributable to owners of the Company (RM)	6.23	5.94

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2021.


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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2022

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

	←----- Attributable to owners of the Company -----→										
	←----- Non-distributable -----→						Distributable				
	Share capital RM'000	Treasury shares RM'000	Exchange fluctuation reserve RM'000	Other reserves RM'000	Hedging reserve RM'000	Reserve for own shares RM'000	Executive share scheme reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
Current year-to-date ended 31 March 2022											
At 1 July 2021	321,217	(63,318)	24,877	3,714	404	(15,699)	1,616	1,593,628	1,866,439	147,738	2,014,177
Profit for the period	-	-	-	-	-	-	-	138,262	138,262	44,263	182,525
Other comprehensive income/(expense): -											
Gain on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(5,104)	(5,104)	-	(5,104)
Foreign currency translation differences	-	-	45	-	-	-	-	-	45	-	45
Share of other comprehensive income of equity accounted associates, net of tax	-	-	2,866	-	-	-	-	-	2,866	-	2,866
Cash flow hedge	-	-	-	-	(333)	-	-	-	(333)	(31)	(364)
Total comprehensive income/(expense) for the period	-	-	2,911	-	(333)	-	-	133,158	135,736	44,232	179,968
Share-based payments/transactions											
Shares vested under Executive Share Scheme ("ESS")	-	-	-	-	-	437	(1,813)	1,376	-	-	-
Addition of equity interest in a subsidiary company	-	-	-	-	-	-	-	8,616	8,616	(20,258)	(11,642)
Dividend	-	-	-	-	-	-	-	(53,444)	(53,444)	-	(53,444)
Total transactions with owners of the Company	-	-	-	-	-	437	(1,330)	(43,452)	(44,345)	(20,169)	(64,514)
At 31 March 2022	321,217	(63,318)	27,788	3,714	71	(15,262)	286	1,683,334	1,957,830	171,801	2,129,631

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022 (Cont'd)

←----- Attributable to owners of the Company ----->
 ←----- Non-distributable -----> Distributable

	Share capital RM'000	Treasury shares RM'000	Exchange fluctuation reserve RM'000	Other reserves RM'000	Hedging reserve RM'000	Reserve for own shares RM'000	Executive share scheme reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Preceding year corresponding period ended 31 March 2021											
At 1 July 2020	321,217	(63,318)	28,019	3,714	(2)	(16,138)	3,650	1,401,078	1,678,220	159,898	1,838,118
Profit for the period	-	-	-	-	-	-	-	252,043	252,043	82,776	334,819
Other comprehensive income/(expense): -											
Loss on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	61,969	61,969	-	61,969
Foreign currency translation differences	-	-	34	-	-	-	-	-	34	-	34
Share of other comprehensive expense of equity accounted associates, net of tax	-	-	(3,077)	-	-	-	-	-	(3,077)	-	(3,077)
Cash flow hedge	-	-	-	-	373	-	-	-	373	162	535
Total comprehensive income/(expense) for the period	-	-	(3,043)	-	373	-	-	314,012	311,342	82,938	394,280
Share-based payments/transactions	-	-	-	-	-	-	764	-	764	336	1,100
Share vested under Executive Share Scheme ("ESS")	-	-	-	-	-	439	(2,992)	2,553	-	-	-
Dividend	-	-	-	-	-	-	-	(53,419)	(53,419)	(24,472)	(77,891)
Total transactions with owners of the Company	-	-	-	-	-	439	(2,228)	(50,866)	(52,655)	(24,136)	(76,791)
At 31 March 2021	321,217	(63,318)	24,976	3,714	371	(15,699)	1,422	1,664,224	1,936,907	218,700	2,155,607

Dividends received by trusts set up for the Executives Share Scheme ("ESS") ("ESS Trusts") amounted to RM866,000 (31 March 2021: RM890,000) 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 2021

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2022

	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2022	31/03/2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- From continuing operations	247,841	411,482
- From discontinued operations	-	9,054
	<u>247,841</u>	<u>420,536</u>
Adjustments for: -		
Share of profit in associated companies, net of tax	(20,722)	(28,318)
Depreciation and amortisation	47,885	45,016
Reversal of impairment on property, plant and equipment	-	(4,687)
Dividend income	(12,203)	(17,154)
Non-cash items	(1,987)	(4,003)
Net financing (income)/expense	(5,641)	268
Operating profit before changes in working capital	<u>255,173</u>	<u>411,658</u>
Changes in working capital		
Net change in current assets	(100,690)	(14,690)
Net change in current liabilities	70,450	117,518
Taxation paid	(52,614)	(37,091)
Net financing income received	5,641	183
Dividend received	15,803	20,754
Retirement benefits paid	(674)	(323)
Net cash generated from operating activities	<u>193,089</u>	<u>498,009</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(14,227)	(30,640)
Addition of intangible assets	(12,174)	(5,702)
Uplift of short-term money market funds and term investment account-i	84,918	-
Proceeds from disposal of property, plant & equipment	2,674	5,485
Net cash generated from / (used in) investing activities	<u>61,191</u>	<u>(30,857)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(2,720)	(2,912)
Acquisition of additional equity interest in a subsidiary company	(11,642)	-
Dividend paid to owners of the Company	(53,444)	(53,419)
Dividend paid to non-controlling shareholders of subsidiary companies	-	(24,472)
Drawdown of borrowings	89,660	99,939
Repayment of borrowings	(83,220)	(97,109)
Net cash used in financing activities	<u>(61,366)</u>	<u>(77,973)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	192,914	389,179
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,029,139	1,211,109
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	28	26
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>1,222,081</u>	<u>1,600,314</u>

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

	31/03/2022	31/03/2021
	RM'000	RM'000
Short-term money market fund and term investment account-i	837,043	705,950
Deposits, cash and bank balances	385,038	894,364
	<u>1,222,081</u>	<u>1,600,314</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 2021.



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1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and paragraph 9.22 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 2021. This interim financial report also complies with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

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 2021 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021 respectively which are 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 amounts 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 ordinary shares of the Company (“HLI Shares”) bought back as of 31 March 2022 was 8,432,500 HLI 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 and financial year-to-date, a total of 62,197 HLI Shares held in ESS Trusts were transferred to an eligible executive of the Group following the vesting of free HLI Shares pursuant to the ESS. Another 82,500 HLI Shares held in ESS Trust were vested on 31 March 2022, and transferred to eligible executives of the Group following the vesting of free HLI Shares pursuant to the ESS.

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

The total number of HLI shares held by the ESS Trusts as of 31 March 2022 was 5,030,719 HLI Shares.

There were no issuance of shares, shares cancellation, resale of treasury shares or repayment 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 single tier dividend of 17.0 sen per share amounting to RM54.3 million on 21 December 2021.

8. **Operating Segments**

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

	Consumer Products RM'000
Segment profit	<u>204,447</u>
Included in the measure of segment profit are:	
Revenue from external customers	1,486,813
Depreciation and amortisation	<u>41,472</u>
Reconciliation of reportable segment profit	RM'000
Profit	
Reportable segment	204,447
Non-reportable segment	17,031
Interest income	6,795
Finance costs	(1,154)
Share of profit in associated companies, net of tax	<u>20,722</u>
Consolidated profit before taxation	<u>247,841</u>
	Depreciation and amortisation RM'000
	External revenue RM'000
Reportable segment	1,486,813
Non-reportable segment	202,490
Total	<u>1,689,303</u> <u>47,885</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

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:

- (a) The following Company's subsidiaries have been placed under member's voluntary liquidation: -
- (i) Glenex Sdn Bhd, an indirect wholly-owned subsidiary; and
 - (ii) Maxider Sdn Bhd, a wholly-owned subsidiary.

The liquidations are currently pending tax clearance from the Inland Revenue Board.



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

(b) During the quarter under review, the liquidator of Stonenet Sdn Bhd (“Stonetnet”), a wholly-owned subsidiary of the Company, has convened a final meeting to conclude the member’s voluntary liquidation of Stonenet and accordingly Stonenet will be dissolved on 3 June 2022.

11. Review of Performance

For the quarter under review (excluding Discontinued Operations), the Group recorded revenue of RM635 million and profit before taxation (“PBT”) of RM109 million as compared with revenue of RM746 million and PBT of RM162 million for the corresponding quarter of the preceding financial year ended 30 June 2021 (“FY2021”).

The lower revenue and PBT for the quarter under review was mainly due to supply chain disruption which affected the production and sales of motorcycle business.

For the financial year-to-date, the Group (excluding Discontinued Operations) recorded revenue of RM1,689 million and PBT of RM248 million as compared with revenue of RM2,169 million and PBT of RM411 million for the corresponding period of FY2021.

The lower revenue and PBT for the financial year-to-date as compared with the corresponding period of FY2021 were mainly due to lower sales during the first quarter of current financial year ending 30 June 2022 because of Movement Control Order (“MCO”), which caused the curtailment of production for 2 months.

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

For the quarter under review, the Group recorded PBT of RM109 million as compared with PBT of RM132 million for the preceding quarter. The lower PBT as compared to the preceding quarter, was mainly due to supply chain disruption which affected the production and sales of motorcycle business.

13. Prospects

The supply chain disruption coupled with the rising costs of material and energy remain the major challenge that affect the manufacturing operations. The Group will continue to manage the plant efficiency, reduce costs and develop new products to overcome these challenges. The Board expects the Group’s performance for the financial year ending 30 June 2022 to be satisfactory.

14. Profit forecast/profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year- To-date
	31/03/2022 RM'000	31/03/2022 RM'000
Profit before taxation is arrived at after (charging) / crediting: -		
Gross dividend income from other investments	1,887	12,203
Depreciation and amortisation	(16,769)	(47,885)
Reversal of impairment loss / (Impairment loss) on trade receivables	57	(26)
Reversal of provision for slow moving of inventories	3,089	7,656
(Loss)/Gain on foreign exchange	(1,055)	1,350
Fair value gain of equity investment at fair value through profit or loss	-	250
Gain on disposal of property, plant and equipment	1,996	2,535



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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
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current year	27,664	32,651	65,483	86,130
- prior years	(167)	(114)	(167)	5,954
	<u>27,497</u>	<u>32,537</u>	<u>65,316</u>	<u>92,084</u>
Deferred taxation				
Malaysian - current year	-	-	-	-
- prior years	-	(236)	-	(6,367)
	<u>-</u>	<u>(236)</u>	<u>-</u>	<u>(6,367)</u>
	<u>27,497</u>	<u>32,301</u>	<u>65,316</u>	<u>85,717</u>
Income tax attributable to continuing operations	27,497	32,296	65,316	85,669
Income tax attributable to discontinued operations	-	5	-	48
	<u>27,497</u>	<u>32,301</u>	<u>65,316</u>	<u>85,717</u>

The Group's effective tax rate for the quarter under review and financial year-to-date are higher than the statutory tax rate due to tax impact arising from Prosperity Tax as announced in Budget 2022.

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 2022 is as follow: -

	RM'000
Unsecured short-term borrowings	<u>19,040</u>

There were no borrowings denominated in foreign currencies as of 31 March 2022.

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 a second interim single tier dividend of 35 sen per share for the quarter ended 31 March 2022 of the financial year ending 30 June 2022 (3rd quarter FY2021: a second interim single tier dividend of 35.0 sen per share) to be paid on 23 June 2022 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 10 June 2022.

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 4.30 p.m. on 10 June 2022 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, single tier dividend of 52 sen per share (FY2021: single tier dividend of 52.0 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 RM63,828,000 (3rd quarter FY2021: RM101,082,000) by the weighted average number of ordinary shares during the quarter of 314,421,000 (3rd quarter FY2021: 314,276,000).

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 RM138,262,000 (FY2021: RM252,043,000) by the weighted average number of ordinary shares during the quarter of 314,394,000 (FY2021: 314,248,000).

	<i>Weighted average number of ordinary shares</i>			
	Individual Quarter	Cumulative Quarter	Individual Quarter	Cumulative Quarter
	Current Year	Preceding Year	Current Year	Preceding Year
	Year	Corresponding Quarter	Year- To- Date	Corresponding Period
	Quarter	Quarter	Date	Period
	31/03/2022	31/03/2021	31/03/2021	31/03/2021
	'000	'000	'000	'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	(5,093)	(5,238)	(5,093)	(5,238)
	314,380	314,235	314,380	314,235
Effect of ESS Trust Shares vested	41	41	14	13
Weighted average number of ordinary shares (basic)	314,421	314,276	314,394	314,248

- (b) Diluted earnings per ordinary share

The Group's diluted earnings per ordinary share for the quarter under review, financial year-to-date and preceding year's corresponding quarter/period approximates its basic earnings per ordinary share.



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The figures have not been audited

22. Derivatives

The Group has entered into a number of forward foreign exchange contracts by subsidiaries to hedge the cash flow risk in relation to the variations of cash flows arising from future forecasted transactions.

The forward foreign exchange contracts are stated at fair value using observable market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models and option pricing models, as appropriate.

As at 31 March 2022, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Contract amount	Fair Value Assets / (Liabilities)
	RM'000	RM'000
Less than 1 year	35,604	102

Derivatives (which are classified as financial assets/liabilities) categorised as fair value through profit or loss are subsequently measured at their fair values with the gains/losses recognised in profit or loss. Gains/losses arising from fair value changes of derivatives is as disclosed in Note 15.

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the previous financial year ended 30 June 2021.

23. Gains/losses arising from fair value changes of financial liabilities

Other than derivatives which are classified as financial liabilities when they are at fair value loss position, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

By Order of the Board
Hong Leong Industries Berhad

Wong Wei Fong
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
25 May 2022

