

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Revenue	773,659	766,999	3,111,424	3,416,400
Cost of sales	(598,666)	(624,076)	(2,435,605)	(2,820,009)
Gross profit	174,993	142,923	675,819	596,391
Operating expenses	(39,109)	(38,300)	(154,905)	(164,251)
Other operating income/(expenses)	2,985	(1,847)	39,767	(20,514)
Operating profit	138,869	102,776	560,681	411,626
Interest income	17,156	16,338	64,451	52,831
Finance costs	(167)	(440)	(1,177)	(1,976)
Share of profit in associated companies, net of tax	14,433	6,567	37,696	49,631
Profit before taxation	170,291	125,241	661,651	512,112
Taxation	(38,103)	(30,820)	(146,824)	(118,559)
Profit for the period	132,188	94,421	514,827	393,553
Profit attributable to:				
Owners of the Company	98,327	69,285	387,897	290,606
Non-controlling interests	33,861	25,136	126,930	102,947
Profit for the period	132,188	94,421	514,827	393,553
Earnings per ordinary share (sen): -				
(a) Basic	31.24	22.02	123.28	92.38
(b) Diluted	N/A	N/A	N/A	N/A

HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024 (Cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2024 RM'000	30/06/2023 RM'000	30/06/2024 RM'000	30/06/2023 RM'000
Profit for the period	132,188	94,421	514,827	393,553
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/(expense)	22,886	(120)	34,980	2,115
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences from foreign operations	(63)	296	77	672
Share of other comprehensive income/(expense) of equity accounted associates, net of tax	(4,265)	7,035	(10,252)	6,494
Cash flow hedge	(467)	995	(584)	528
Total other comprehensive income for the period	18,091	8,206	24,221	9,809
Total comprehensive income for the period	150,279	102,627	539,048	403,362
Total comprehensive income attributable to:				
Owners of the Company	116,425	77,186	412,161	300,255
Non-controlling interests	33,854	25,441	126,887	103,107
Total comprehensive income for the period	150,279	102,627	539,048	403,362

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2023.

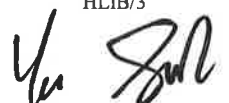
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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024****The figures have not been audited****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

	As At End of Current Quarter 30/06/2024 RM'000	As At End of Preceding Financial Year 30/06/2023 RM'000
ASSETS		
Property, plant and equipment	184,933	195,561
Right-of-use assets	20,800	23,162
Investment property	4,000	4,000
Investments in associated companies	186,550	182,338
Other investments	87,353	72,957
Intangible assets	28,189	49,949
Deferred tax assets	24,778	18,617
Tax credit receivable	457	457
TOTAL NON-CURRENT ASSETS	537,060	547,041
Inventories	209,325	336,503
Trade and other receivables, including derivatives	306,789	272,163
Current tax assets	606	802
Short-term investments and deposits placed with licensed banks	839,806	961,600
Cash and cash equivalents	913,373	525,967
	2,269,899	2,097,035
Assets classified as held for sale	350	58,713
TOTAL CURRENT ASSETS	2,270,249	2,155,748
TOTAL ASSETS	2,807,309	2,702,789
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	321,217	321,217
Reserves	1,848,475	1,769,999
Treasury shares - at cost	(63,318)	(63,318)
	2,106,374	2,027,898
NON-CONTROLLING INTERESTS	196,780	160,322
TOTAL EQUITY	2,303,154	2,188,220
LIABILITIES		
Lease liabilities	2,374	2,540
Deferred tax liabilities	2,922	5,357
Employee benefits	17,424	21,863
TOTAL NON-CURRENT LIABILITIES	22,720	29,760
Lease liabilities	3,443	4,880
Trade and other payables, including derivatives	402,483	406,741
Tax payable	75,509	34,209
	481,435	445,830
Liabilities classified as held for sale	-	38,979
TOTAL CURRENT LIABILITIES	481,435	484,809
TOTAL LIABILITIES	504,155	514,569
TOTAL EQUITY AND LIABILITIES	2,807,309	2,702,789
Net assets per share attributable to owners of the Company (RM)	6.70	6.45

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2023.

HLIB/3



HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	Attributable to owners of the Company							Distributable			
	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 30 June 2024											
At 1 July 2023	321,217	(63,318)	39,287	3,714	310	(14,953)	1,277	1,740,364	2,027,898	160,322	2,188,220
Profit for the period	-	-	-	-	-	-	-	387,897	387,897	126,930	514,827
Other comprehensive income/(expense): -											
Gain on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	34,980	34,980	-	34,980
Foreign currency translation differences	-	-	77	-	-	-	-	-	77	-	77
Share of other comprehensive expense of equity accounted associates, net of tax	-	-	(10,252)	-	-	-	-	-	(10,252)	-	(10,252)
Cash flow hedge	-	-	-	-	(541)	-	-	-	(541)	(43)	(584)
Total comprehensive income/(expense) for the period	-	-	(10,175)	-	(541)	-	-	422,877	412,161	126,887	539,048
Share-based payments/transactions											
Shares vested under Executive Share Scheme ("ESS")	-	-	-	-	-	251	(213)	(38)	-	-	-
Dividend	-	-	-	-	-	-	-	(336,721)	(336,721)	(91,767)	(428,488)
Total transactions with owners of the Company	-	-	-	-	-	251	2,823	(336,759)	(333,685)	(90,429)	(424,114)
At 30 June 2024	321,217	(63,318)	29,112	3,714	(231)	(14,702)	4,100	1,826,482	2,106,374	196,780	2,303,154

The current year-to-date dividend received by the Executive Share Scheme Trusts ("ESS Trusts") amounted to RM5,115,000 (corresponding period ended 30 June 2023 – RM2,784,000) for the Group is eliminated against the dividend payment of the Company upon consolidation of the ESS Trusts.

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024 (Cont'd)

	←----- Attributable to owners of the Company ----->										
	←----- Non-distributable ----->						-----> Distributable				
	Share capital	Treasury shares	Exchange fluctuation reserve	Other reserves	Hedging reserve	Reserve for own shares	Executive share scheme reserve	Retained earnings	Total	Non-controlling interest	Total equity
	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 30 June 2023											
At 1 July 2022	321,217	(63,318)	32,121	3,714	(58)	(15,262)	533	1,626,704	1,905,651	148,432	2,054,083
Profit for the period	-	-	-	-	-	-	-	290,606	290,606	102,947	393,553
Other comprehensive income: -											
Gain on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	2,115	2,115	-	2,115
Foreign currency translation differences	-	-	672	-	-	-	-	-	672	-	672
Share of other comprehensive income of equity accounted associates, net of tax	-	-	6,494	-	-	-	-	-	6,494	-	6,494
Cash flow hedge	-	-	-	-	368	-	-	-	368	160	528
Total comprehensive income for the period	-	-	7,166	-	368	-	-	292,721	300,255	103,107	403,362
Share-based payments/transactions											
Shares vested under Executive Share Scheme ("ESS")	-	-	-	-	-	309	(564)	255	-	-	-
Dividend	-	-	-	-	-	-	-	(179,316)	(179,316)	(91,767)	(271,083)
Total transactions with owners of the Company	-	-	-	-	-	309	744	(179,061)	(178,008)	(91,217)	(269,225)
At 30 June 2023	321,217	(63,318)	39,287	3,714	310	(14,953)	1,277	1,740,364	2,027,898	160,322	2,188,220

The current year-to-date dividend received by the Executive Share Scheme Trusts ("ESS Trusts") amounted to RM5,115,000 (corresponding period ended 30 June 2023 – RM2,784,000) for the Group is eliminated against the dividend payment of the Company upon consolidation of the ESS Trusts.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2023.

HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2024

	Current Year- To-Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	661,651	512,112
Adjustments for: -		
Share of profit in associated companies, net of tax	(37,696)	(49,631)
Depreciation and amortisation	64,663	78,543
Dividend income	(2,681)	(983)
Non-cash items	903	18,173
Gain on disposal of subsidiaries	(18,720)	-
Interest income	(64,451)	(52,831)
Finance costs	1,177	1,976
Operating profit before changes in working capital	604,846	507,359
Changes in working capital		
Net change in current assets	91,362	(54,221)
Net change in current liabilities	(1,018)	16,471
Tax paid	(113,924)	(127,895)
Interest income received	64,451	52,831
Finance costs paid	(1,177)	(1,976)
Dividend received	25,913	51,070
Retirement benefits paid	(1,680)	(1,880)
Net cash generated from operating activities	668,773	441,759
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(18,058)	(29,494)
Addition of intangible assets	(9,275)	(42,545)
Uplift/(placement) in short-term investments and deposits placed with licensed banks	121,794	(828,917)
Disposal of subsidiaries		
- Proceeds received	112,691	-
- Taxes and other related disposal costs	(13,377)	-
- Cash and cash equivalents disposed off	(70,285)	-
Proceeds from disposal of other investment	22,018	-
Proceeds from disposal of property, plant and equipment	277	2,185
Net cash generated from / (used in) investing activities	145,785	(898,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(4,792)	(4,902)
Dividend paid to owners of the Company	(336,721)	(179,316)
Dividend paid to non-controlling shareholders of subsidiary companies	(91,767)	(91,767)
Drawdown of borrowings	24,430	111,440
Repayment of borrowings	(27,530)	(115,169)
Net cash used in financing activities	(436,380)	(279,714)
NET CHANGE IN CASH AND CASH EQUIVALENTS	378,178	(736,726)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	74	673
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	535,121	1,271,174
CASH & CASH EQUIVALENTS AT END OF PERIOD	913,373	535,121

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

	30/06/2024 RM'000	30/06/2023 RM'000
Term investment account-i	774,031	285,500
Deposits, cash and bank balances	139,342	240,467
Assets classified as held for sale	-	9,154
	913,373	535,121

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2023.

HLIB/6


HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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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 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 2023. 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 financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2023 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2023 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

Save for the information disclosed in this interim financial report, 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 30 June 2024 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 financial year-to-date, a total of 83,087 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.

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 30 June 2024 was 4,764,790 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.

HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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7. Dividend paid

The Company has paid the following dividends during the current financial year to-date:-

	Current Year-To-Date RM'000
First interim single tier dividend of 20 sen per share, paid on 21 December 2023	63,895
Special single tier dividend of 50 sen per share, paid on 16 April 2024	159,736
Second interim single tier dividend of 37 sen per share, paid on 25 June 2024	118,205
	<u>341,836</u>

8. Operating segments

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

	Consumer Products RM'000
Segment profit	<u>565,976</u>
Included in the measure of segment profit are:	
Revenue from external customers	2,952,002
Depreciation and amortisation	<u>(61,895)</u>
Reconciliation of reportable segment profit	RM'000
Profit	
Reportable segment	565,976
Non-reportable segment	32,401
Interest income	64,451
Finance costs	<u>(1,177)</u>
Consolidated profit before taxation	<u>661,651</u>
	Depreciation and amortisation
	RM'000
	External revenue RM'000
Reportable segment	2,952,002
Non-reportable segment	159,422
Total	<u>3,111,424</u>
	<u>(64,663)</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.

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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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 and financial year-to-date, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations other than as mentioned below:

Disposal of subsidiaries

- (a) The Group had on 30 November 2023 completed the disposal of its entire issued and paid-up share capital of Hume Cemboard Industries Sdn Bhd (“HCB”) (“Sale Shares”) to Saint-Gobain Malaysia Sdn Bhd.

Following the post-completion confirmation by the parties, the final consideration for the Sale Shares was agreed at RM76.5 million. The disposal had resulted in a gain of RM18.7 million to the Group for the financial year-to-date of FY2024.

- (b) The Group had on 11 December 2023 completed the disposal of its entire issued and paid-up share capital in HLI Trading Limited (“HLIT”) to Guoline International Limited for a cash consideration of USD7.8 million (equivalent to RM36.2 million as at 30 November 2023). The disposal had resulted in a gain of RM38,000 to the Group for the financial year-to-date of FY2024.

Following the completion of these disposals, HCB and HLIT have ceased to be wholly-owned subsidiaries of the Group.

Incorporation of wholly-owned subsidiaries

In July 2023, the Group had incorporated two wholly-owned subsidiaries known as Knight Star Sdn Bhd and Prima Perfection Sdn Bhd, both with the principal activity of investment holding.

In April 2024, the Group had incorporated a wholly-owned subsidiary known as Gencode Sdn Bhd with principal activities involving the provision of information technology related products, solutions and services.

Subsidiaries under member’s voluntary liquidation

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.

HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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11. Review of performance

For the quarter under review, the Group recorded revenue of RM774 million and profit before taxation (“PBT”) of RM170 million as compared with revenue of RM767 million and PBT of RM125 million for the corresponding quarter of the preceding financial year ended 30 June 2023 (“FY2023”).

The higher revenue for the quarter under review was mainly attributed to the higher sales from higher market demand of motorcycles. The improved revenue was however offset by the absent of revenue from fibre cement business following its business disposal in the second quarter of current financial year. The improved PBT was contributed by both the higher sales of motorcycles business and the improved performance of an associated company.

For the financial year-to-date, the Group recorded revenue of RM3,111 million and PBT of RM662 million as compared with revenue of RM3,416 million and PBT of RM512 million for the corresponding period of FY2023.

The lower revenue for the financial year-to-date as compared to corresponding period of FY2023 was mainly due to lower sales of motorcycle business recorded in the first three quarters of the current financial year. Despite the lower revenue, the Group recorded higher PBT for the financial year-to-date primarily attributable to the favourable sales mix of better margin motorcycle models, a RM25 million insurance compensation received for the disruption caused by flood in the motorcycle business during the third quarter of FY2022 and an RM18.7 million gain from the disposal of entire equity interest in HCB.

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

For the quarter under review, the Group recorded PBT of RM170 million as compared with PBT of RM177 million for the preceding quarter. The PBT of the preceding quarter included a RM25 million insurance compensation received. Excluding the insurance compensation recognised in preceding quarter, operating wise the PBT of current quarter is higher, contributed mainly by the improved performance of the motorcycles business.

13. Prospects

Motorcycle demand has shown signs of improvement towards the end of the current financial year. This bodes well for our financial year 2025. The Group will continue its focus on products, market position and cost to further improve the performance. For our tiles sector, the Group has now committed to building a new plant with production expected to begin in 2026. Barring any unforeseen circumstances, the Board expects the Group to achieve a satisfactory result for the financial year ending 2025.

14. Profit forecast/profit guaranteed

This note is not applicable.

HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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15. Profit before taxation

	Current Year Quarter 30/06/2024 RM'000	Current Year- To-Date 30/06/2024 RM'000
Profit before taxation is arrived at after (charging)/crediting: -		
Gross dividend income from other investments	1,328	2,681
Depreciation and amortisation	(14,303)	(64,663)
Reversal/(Impairment loss) on property, plant and equipment	501	(1,523)
Impairment loss on trade receivables	(559)	(727)
Reversal of provision for slow moving inventories	4,969	1,794
Adjustment of inventories to net realisable value	718	(1,231)
(Loss)/Gain on foreign exchange	(551)	508
Gain on fair value of financial assets at fair value through profit or loss	-	1,434
Gain on disposal of property, plant and equipment	(312)	274
Gain on disposal of subsidiaries	-	18,720
Insurance compensation received	-	25,000

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2024 RM'000	Preceding Year Corresponding Quarter 30/06/2023 RM'000	Current Year-To- Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
Current taxation				
Malaysian - current year	44,856	33,193	156,458	122,996
- prior years	(987)	(2,887)	(1,038)	(2,906)
	<u>43,869</u>	<u>30,306</u>	<u>155,420</u>	<u>120,090</u>
Deferred taxation				
Malaysian - current year	(6,004)	(393)	(6,004)	(2,438)
- prior years	238	907	(2,592)	907
	<u>(5,766)</u>	<u>514</u>	<u>(8,596)</u>	<u>(1,531)</u>
	<u>38,103</u>	<u>30,820</u>	<u>146,824</u>	<u>118,559</u>

The Group's effective tax rate for the quarter under review is slightly higher than statutory tax rate mainly due to certain expenses are not allowed as tax deductions. For the financial year-to-date, the effective tax rate is slightly lower than the statutory tax rate primarily due to the non-taxable gain arising from the disposal of subsidiaries and partly offset by certain expenses not allowed as tax deductions.

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

There is no outstanding borrowings during the financial period under review.

HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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19. Changes in material litigation

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

20. Dividend

- (a) The Board does not recommend any final dividend for the financial year ended 30 June 2024.
- (b) For the financial year-to-date, interim single tier dividend of 57 sen per share and a special single tier dividend of 50 sen per share (FY2023: interim single tier dividend of 57 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 RM98,327,000 (4th quarter FY2023: RM69,285,000) by the weighted average number of ordinary shares during the quarter of 314,708,000 (4th quarter FY2023: 314,625,000).

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 RM387,897,000 (year-to-date FY2023: RM290,606,000) by the weighted average number of ordinary shares during the quarter of 314,659,000 (year-to-date FY2023: 314,566,000).

	<i>Weighted average number of ordinary shares</i>			
	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year-To-Date	Preceding Year
	Quarter	Corresponding Quarter	Date	Corresponding Period
	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	'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	(4,765)	(4,848)	(4,848)	(4,948)
	314,708	314,625	314,625	314,525
Effect of ESS Trust Shares vested	-	-	34	41
Weighted average number of ordinary shares (basic)	314,708	314,625	314,659	314,566

(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.

HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER
ENDED 30 JUNE 2024

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 30 June 2024, 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	<u>225,672</u>	<u>(137)</u>

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.

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 2023.

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
Zoe Lim Hoon Hwa
Company Secretaries

Kuala Lumpur
26 August 2024

HLIB/13