

General Announcement

Reference No **HI-110805-52275**

Company Name : **HONG LEONG INDUSTRIES BERHAD**
Stock Name : HLIND
Date Announced : 05/08/2011

Type : Announcement
Subject : TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
NON RELATED PARTY TRANSACTIONS
Description : Investment in unit trust fund

Announcement Details/Table Section :

Hong Leong Industries Berhad (“HLI”) wishes to announce that on 5 August 2011, Maxider Sdn Bhd and Stableview Sdn Bhd, both wholly-owned subsidiaries of HLI, had invested in aggregate RM255 million in Hong Leong Income Management Fund – II (the “Fund”), comprising 255 million units at RM1.00 per unit (the “Investment”).

The Fund is managed by Hong Leong Asset Management Bhd and invests in securities. The Investment, funded from borrowings and internally generated funds, is expected to be beneficial to the HLI Group.

The Investment will not have any effect on the issued and paid-up share capital and substantial shareholders’ shareholdings of HLI, nor is it expected to have any material effect on the net asset of the HLI Group. However, the gearing ratio of the HLI Group is expected to increase from 0.47 times (after adjusting for completed transactions subsequent to 30 June 2010) to 0.72 times as a result of the Investment.

The highest percentage ratio applicable to the Investment pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 24.82%. The approval of the shareholders of HLI is not required for the Investment. The Investment is not subject to the approval of any governmental authorities.

None of the directors and major shareholders of HLI and/or any persons connected with them have any interest, direct or indirect, in the Investment.

The directors of HLI are of the opinion that the Investment is in the best interest of the HLI Group.

This announcement is dated 5 August 2011.