

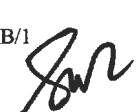
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2019

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To- Date	Preceding Year Corresponding Period
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
Revenue	693,526	637,625	2,069,287	1,899,362
Cost of sales	(539,932)	(519,482)	(1,642,716)	(1,517,941)
Gross profit	153,594	118,143	426,571	381,421
Operating expenses	(43,883)	(50,899)	(144,236)	(151,637)
Other operating income	5,415	4,710	9,878	6,952
Operating profit	115,126	71,954	292,213	236,736
Interest income	910	823	2,825	2,538
Finance costs	(733)	(1,381)	(2,481)	(4,084)
Share of profit in associated companies, net of tax	23,133	26,005	80,977	97,260
Profit before taxation	138,436	97,401	373,534	332,450
Taxation	(24,974)	(16,808)	(65,823)	(52,834)
Profit for the period	113,462	80,593	307,711	279,616
Profit attributable to:				
Owners of the Company	90,396	63,236	247,181	228,040
Non-controlling interests	23,066	17,357	60,530	51,576
Profit for the period	113,462	80,593	307,711	279,616
Earnings per ordinary share (sen) :-				
(a) Basic	28.80	20.40	78.75	73.60
(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 2018.

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HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2019 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
Profit for the period	113,462	80,593	307,711	279,616
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	3,173	(15,855)	(5,095)	(19,545)
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences from foreign operations	(56)	(255)	155	(490)
Share of other comprehensive (expense)/ income of equity accounted associates, net of tax	(1,880)	(10,645)	112	(21,667)
Cash flow hedge	563	(498)	(156)	(38)
Total other comprehensive income/(expense) for the period	1,800	(27,253)	(5,206)	(41,740)
Total comprehensive income for the period	115,262	53,332	302,727	237,876
Total comprehensive income attributable to:				
Owners of the Company	92,026	35,968	242,247	186,307
Non-controlling interests	23,236	17,364	60,480	51,569
Total comprehensive income for the period	115,262	53,332	302,727	237,876

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 2018.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED
31 MARCH 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	As At End of Current Quarter	As At End of Preceding Financial Year
	31/03/2019 RM'000	30/06/2018 RM'000
ASSETS		
Property, plant and equipment	300,686	322,108
Investment property	4,000	4,000
Investments in associated companies	217,396	179,510
Intangible assets	15,054	14,982
Other investments	34,201	39,296
Deferred tax assets	13,105	13,105
Tax credit receivable	5,370	5,370
TOTAL NON-CURRENT ASSETS	589,812	578,371
Inventories	198,249	210,344
Trade and other receivables	365,105	373,614
Current tax assets	18,551	19,835
Cash and cash equivalents	1,084,019	831,340
TOTAL CURRENT ASSETS	1,665,924	1,435,133
TOTAL ASSETS	2,255,736	2,013,504
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	321,217	321,217
Reserves	1,399,898	1,202,377
Treasury shares - at cost	(63,318)	(63,318)
	1,657,797	1,460,276
NON-CONTROLLING INTERESTS	161,078	124,496
TOTAL EQUITY	1,818,875	1,584,772
LIABILITIES		
Deferred tax liabilities	8,725	8,740
Deferred income	3,378	3,793
Employee benefits	24,802	26,723
TOTAL NON-CURRENT LIABILITIES	36,905	39,256
Borrowings (unsecured)	43,110	70,630
Trade and other payables, including derivatives	320,208	295,701
Tax payable	36,638	23,145
TOTAL CURRENT LIABILITIES	399,956	389,476
TOTAL LIABILITIES	436,861	428,732
TOTAL EQUITY AND LIABILITIES	2,255,736	2,013,504
Net assets per share attributable to owners of the Company (RM)	5.28	4.65

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2018.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019

	←----- Attributable to owners of the Company ----->							-----> Distributable			
	←----- Non-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 2019											
At 1 July 2018	321,217	(63,318)	20,882	3,714	183	(17,223)	2,952	1,191,869	1,460,276	124,496	1,584,772
Profit for the period	-	-	-	-	-	-	-	247,181	247,181	60,530	307,711
Other comprehensive income/(expense):											
Loss on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(5,095)	(5,095)	-	(5,095)
Foreign currency translation differences	-	-	155	-	-	-	-	-	155	-	155
Share of other comprehensive income of equity accounted associates, net of tax	-	-	112	-	-	-	-	-	112	-	112
Cash flow hedge	-	-	-	-	(106)	-	-	-	(106)	(50)	(156)
Total comprehensive income/(expense) for the period	-	-	267	-	(106)	-	-	242,086	242,247	60,480	302,727
Share-based payments/transactions	-	-	-	-	-	-	1,302	-	1,302	574	1,876
ESS shares exercised	-	-	-	-	-	754	(230)	542	1,066	-	1,066
Dividends	-	-	-	-	-	-	-	(47,094)	(47,094)	(24,472)	(71,566)
Total transactions with owners of the Company	-	-	-	-	-	754	1,072	(46,552)	(44,726)	(23,898)	(68,624)
At 31 March 2019	321,217	(63,318)	21,149	3,714	77	(16,469)	4,024	1,387,403	1,657,797	161,078	1,818,875

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2019
The figures have not been audited
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019 (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	Fair value 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 2018												
At 1 July 2017	321,217	(63,318)	35,696	17,603	35	(29,518)	2,476	21,246	966,031	1,271,468	111,995	1,383,463
Changes in accounting policies	-	-	-	-	-	-	-	(21,246)	21,246	-	-	-
	321,217	(63,318)	35,696	17,603	35	(29,518)	2,476	-	987,277	1,271,468	111,995	1,383,463
Profit for the period	-	-	-	-	-	-	-	-	228,040	228,040	51,576	279,616
Other comprehensive income/(expense)												
Loss on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(19,545)	(19,545)	-	(19,545)
Foreign currency translation differences	-	-	(490)	-	-	-	-	-	-	(490)	-	(490)
Share of other comprehensive income of equity accounted associates, net of tax	-	-	(21,667)	-	-	-	-	-	-	(21,667)	-	(21,667)
Cash flow hedge	-	-	-	-	(31)	-	-	-	-	(31)	(7)	(38)
Total comprehensive income/(expense) for the period	-	-	(22,157)	-	(31)	-	-	-	208,495	186,307	51,569	237,876
Share-based payments/transactions	-	-	-	-	-	-	1,144	-	-	1,144	463	1,607
ESS shares exercised	-	-	-	-	-	1,512	(429)	-	1,050	2,133	-	2,133
Dividends	-	-	-	-	-	-	-	-	(46,492)	(46,492)	(15,295)	(61,787)
Total transactions with owners of the Company	-	-	-	-	-	1,512	715	-	(45,442)	(43,215)	(14,832)	(58,047)
At 31 March 2018	321,217	(63,318)	13,539	17,603	4	(28,006)	3,191	-	1,150,330	1,414,560	148,732	1,563,292

Dividends received by trust set up for the Executives Share Scheme ("ESS") ("ESS Trust") amounted to RM827,400 (2017/2018: RM1,429,000) 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 2018.

HONG LEONG INDUSTRIES BERHAD (5486-P)
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31 MARCH 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2019

	Current Year- To-Date	Preceding Year Corresponding Period
	31/03/2019	31/03/2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	373,534	332,450
Adjustments for:-		
Share of profit in associated companies, net of tax	(80,977)	(97,260)
Depreciation and amortisation	44,949	52,876
Dividend income	(23,007)	(15,582)
Non-cash item	1,657	2,155
Net financing income/costs	(344)	1,546
Operating profit before changes in working capital	<u>315,812</u>	<u>276,185</u>
Changes in working capital		
Net change in current assets	18,978	(36,276)
Net change in current liabilities	25,982	33,341
Taxation paid	(52,538)	(40,045)
Net financing income/cost received /(paid)	344	(1,546)
Dividend received	66,223	71,326
Retirement benefits paid	(334)	(243)
Net cash generated from operating activities	<u>374,467</u>	<u>302,742</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(24,692)	(22,282)
Proceeds from disposal of property, plant & equipment	372	410
Net cash used in investing activities	<u>(24,320)</u>	<u>(21,872)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(47,094)	(46,492)
Dividend paid to non-controlling shareholders of subsidiary companies	(24,472)	(15,295)
Disposal of Trust Shares	1,066	2,133
Drawdown of borrowings	24,090	165,069
Repayment of borrowings	(51,610)	(183,668)
Net cash used in financing activities	<u>(98,020)</u>	<u>(78,253)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	252,127	202,617
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	831,340	537,483
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	552	(756)
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>1,084,019</u>	<u>739,344</u>

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

	31/03/2019	31/03/2018
	RM'000	RM'000
Deposits, cash and bank balances	<u>1,084,019</u>	<u>739,344</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 2018.

HONG LEONG INDUSTRIES BERHAD (5486-P)
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31 MARCH 2019

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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 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 2018. 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 2018 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2018 which are applicable to the Group including MFRS 15 Revenue from Contracts with Customers. 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 2019 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.

During the quarter under review and financial year-to-date, a total of 36,000 and 252,000 existing ordinary shares in the Company held in the ESS Trusts were transferred to the option holders arising from the exercise of options pursuant to the ESS.

There were no additional shares purchased by the ESS Trusts during the quarter under review.

As at 31 March 2019, the total number of ordinary shares in the Company held by the ESS Trusts was 5,480,000 ordinary shares.

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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 RM48 million on 13 December 2018.

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 / (loss)	286,672	(5,495)	281,177
Included in the measure of segment profit are:			
Revenue from external customers	1,732,124	320,990	2,053,114
Depreciation and amortisation	36,440	8,497	44,937
Reconciliation of reportable segment profit			
Profit			
Reportable segment			281,177
Non-reportable segment			11,036
Interest income			2,825
Finance costs			(2,481)
Share of profit in associated companies, net of tax			80,977
Consolidated profit before taxation			373,534
		External revenue RM'000	Depreciation and amortisation RM'000
Reportable segment		2,053,114	44,937
Non-reportable segment		16,173	12
Total		2,069,287	44,949

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:

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

The following Company's subsidiaries have been placed under member's voluntary liquidation:-

- (a) Glenex Sdn Bhd, an indirect wholly-owned subsidiary; and
- (b) Flazer Sdn Bhd, an indirect wholly-owned subsidiary.

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

11. Review of Performance

For the quarter under review, the Group recorded revenue of RM694 million and profit before taxation ("PBT") of RM138 million as compared with revenue and PBT of RM638 million and RM97 million respectively for the corresponding quarter of the preceding year ended 30 June 2018 ("FY 2018").

For the financial year-to-date, the Group recorded revenue of RM2,069 million and PBT of RM374 million as compared with revenue of RM1,899 million and PBT of RM332 million for the corresponding period of FY 2018.

The improvement in revenue and PBT for the quarter under review and for the financial year-to-date were attributable to the higher sales from the consumer product segment. The improvement was however negated by lower 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 PBT of RM138 million as compared with PBT of RM127 million for the preceding quarter. The higher PBT compared with the preceding quarter was attributable to higher sales from the consumer products segment which was negated by lower profit contribution from an associated company.

13. Prospects

Barring any unforeseen circumstances, the Board expects the performance for the consumer products segment to be satisfactory while the market situation for the industrial products segment will remain challenging for the financial year ending 30 June 2019.

14. Profit forecast / profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year To-date
	31/03/2019 RM'000	31/03/2019 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Gross dividend income from other investments	(8,209)	(23,007)
Depreciation and amortisation	14,102	44,949
Allowance / (write back) of impairment loss on trade receivables	218	(1,566)
Write back of provision for inventories	(5,298)	(3,942)
(Gain) / loss on foreign exchange	(32)	2,027

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15. Profit before taxation (cont'd)

	Current Year Quarter	Current Year To-date
	31/03/2019 RM'000	31/03/2019 RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Fair value (gain) / loss on financial instruments designated as hedge instrument	(2)	-
Share-based payments	625	1,876
Gain on disposal of properties	-	-
Impairment of property, plant and equipment	-	-

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
Current taxation				
Malaysian - current year	25,430	15,632	64,847	52,141
- prior year	(456)	1,176	991	613
	24,974	16,808	65,838	52,754
Deferred taxation				
Malaysian - prior year	-	-	(15)	(194)
	-	-	(15)	(194)
Utilisation of tax credit receivables arising from unutilised reinvestment allowances				
Malaysian – prior year	-	-	-	274
	-	-	-	274
	24,974	16,808	65,823	52,834

The Group's effective tax rate for the quarter under review and financial year-to-date are 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.

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18. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 31 March 2019 are as follows:-

Unsecured short term borrowings	RM'000 <u>43,110</u>
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There were no borrowings denominated in foreign currencies as at 31 March 2019.

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 25 sen per share and a special interim single tier dividend of 10 sen per share for the quarter ended 31 March 2019 of the financial year ending 30 June 2019 (3rd quarter 2017/2018: a second interim single tier dividend of 22.0 sen per share and a special interim single tier dividend of 10.0 sen per share) to be paid on 28 June 2019 to holders of the ordinary shares whose names appear in the Record of Depositors at the close of business on 17 June 2019.

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

(i) shares transferred into Depositor's Securities Account before 4.30 p.m. on 17 June 2019 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

(c) For the financial year-to-date, single tier dividend of 40 sen per share and a special single tier dividend of 10 sen per share (2017/2018: single tier dividend of 37.0 sen per share and a 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 RM90,396,000 (3rd quarter 2017/2018: profit attributable to owners of RM63,236,000) by the weighted average number of ordinary shares during the quarter of 313,903,000 (3rd quarter 2017/2018: 309,988,000).

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 RM247,181,000 (3rd quarter 2017/2018: RM228,040,000) by the weighted average number of ordinary shares during the quarter of 313,890,000 (3rd quarter 2017/2018: 309,817,000).

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21. Earnings Per Ordinary Share

(a) Basic earnings per ordinary share (cont'd)

	<i>Weighted average number of ordinary shares</i>			
	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year- To-	Year
	Corresponding	Date	Corresponding	
	Quarter	Quarter	Period	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	'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	(5,600)	(9,529)	(5,732)	(9,850)
	313,873	309,944	313,741	309,623
Effect of Trust Shares vested	30	44	149	194
Weighted average number of ordinary shares (basic)	313,903	309,988	313,890	309,817

(b) Diluted earnings per ordinary share

The Group has no dilution in its earnings per ordinary share for the quarter under review and financial year-to-date as there were no dilutive potential ordinary shares.

The Group's diluted earnings per ordinary share for the preceding year corresponding quarter/period approximates its basic earnings per ordinary share.

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The figures have not been audited

23. 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 December 2018, 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>28,604</u>	<u>118</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. 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 2018.

24. 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

Joanne Leong Wei Yin
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
28 May 2019