

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2015

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2015

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Revenue	527,800	536,321	2,138,898	2,058,480
Cost of sales	(432,201)	(432,515)	(1,717,706)	(1,644,548)
Gross profit	95,599	103,806	421,192	413,932
Operating expenses	(44,938)	(48,696)	(190,703)	(191,997)
Other operating income	6,259	13,706	36,151	35,249
Operating profit	56,920	68,816	266,640	257,184
Interest income	655	689	2,712	2,601
Finance costs	(1,589)	(14,887)	(10,179)	(59,649)
Share of profit in associated companies, net of tax	14,067	6,724	41,327	37,541
Profit before taxation	70,053	61,342	300,500	237,677
Taxation	(15,804)	(7,895)	(82,991)	(34,075)
Profit from continuing operations	54,249	53,447	217,509	203,602
Profit from discontinued operation, net of tax (NI)	-	1,463	1,013	4,368
Profit for the period	54,249	54,910	218,522	207,970
Profit attributable to:				
Owners of the Company	43,411	43,478	173,232	167,502
Non-controlling interests	10,838	11,432	45,290	40,468
Profit for the period	54,249	54,910	218,522	207,970
Earnings per ordinary share (sen) :-				
(a) Basic	14.08	14.10	56.18	54.32
(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 2014.

HONG LEONG INDUSTRIES BERHAD (5486-P)
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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2015 (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Profit for the period	54,249	54,910	218,522	207,970
Foreign currency translation differences for foreign operations	1,974	(4,160)	27,066	1,226
Gain on fair value of available-for-sale financial assets	3,038	4	41,736	4
Reversal of fair value reserve upon disposal of available- for-sale financial asset	-	-	(14)	-
Total comprehensive income for the period	59,261	50,754	287,310	209,200
Total comprehensive income attributable to:				
Owners of the Company	48,423	39,322	242,020	168,732
Non-controlling interests	10,838	11,432	45,290	40,468
Total comprehensive income for the period	59,261	50,754	287,310	209,200

(NI)

Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) ("HCCT") has ceased to be a subsidiary of the Company following the completion of the corporate exercise of HLI in the quarter ended 31 December 2014. The results of HCCT and its subsidiaries have been separately disclosed as discontinued operation.

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 2014.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	As At End of Current Quarter 30/06/2015 RM'000	As At End of Preceding Financial Year 30/06/2014 RM'000
ASSETS		
Property, plant and equipment	381,079	382,158
Investment properties	4,000	4,000
Investments in associated companies	383,089	346,464
Other investments	71,064	547,963
Intangible assets	16,213	16,501
Deferred tax assets	1,586	13
Tax credit receivables	5,646	4,582
TOTAL NON-CURRENT ASSETS	862,677	1,301,681
Inventories	209,131	180,442
Trade and other receivables	387,071	382,757
Current tax assets	14,322	36,728
Derivative financial assets	188	2
Cash and cash equivalents	307,043	196,410
	917,755	796,339
Assets pending distribution	-	316,468
TOTAL CURRENT ASSETS	917,755	1,112,807
TOTAL ASSETS	1,780,432	2,414,488
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	163,953	163,953
Reserves	1,087,186	1,160,954
Treasury shares - at cost	(63,318)	(63,318)
	1,187,821	1,261,589
NON-CONTROLLING INTERESTS	106,656	114,929
TOTAL EQUITY	1,294,477	1,376,518
LIABILITIES		
Borrowings (unsecured)	-	50,000
Deferred tax liabilities	10,443	7,629
Deferred income	5,598	4,375
Employee benefits	22,667	21,151
TOTAL NON-CURRENT LIABILITIES	38,708	83,155
Trade and other payables	284,823	286,495
Borrowings (unsecured)	137,609	572,742
Derivative financial liabilities	1,116	525
Tax payable	23,699	15,385
	447,247	875,147
Liabilities pending distribution	-	79,668
TOTAL CURRENT LIABILITIES	447,247	954,815
TOTAL LIABILITIES	485,955	1,037,970
TOTAL EQUITY AND LIABILITIES	1,780,432	2,414,488
Net assets per share attributable to owners of the Company (RM)	3.85	4.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015

← Attributable to owners of the Company →

← Non-distributable →

	Share capital	Share premium	Exchange equalisation reserve	Other reserves	Reserve for own shares	Executive share scheme reserve	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
	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 30 June 2015	163,953	387,038	2,998	21,482	(41,459)	293	(63,318)	790,602	1,261,589	114,929	1,376,518
At 1 July 2014	-	-	-	-	-	-	-	173,232	173,232	45,290	218,522
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive (expense)/income	-	-	27,066	-	-	-	-	-	27,066	-	27,066
- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
- Gain on fair value of available-for-sale financial assets	-	-	-	41,736	-	-	-	-	41,736	-	41,736
- Reversal of fair value reserve upon disposal of available-for-sale financial asset	-	-	-	(14)	-	-	-	-	(14)	-	(14)
Total comprehensive income for the period	-	-	27,066	41,722	-	-	-	173,232	242,020	45,290	287,310
Dividends	-	-	-	-	-	-	-	(89,424)	(89,424)	(53,560)	(142,984)
Share-based payments	-	-	-	-	-	1,034	-	297	1,331	-	1,331
Share vested	-	-	-	-	173	-	-	(216)	(43)	-	(43)
Capital distribution	-	(234,085)	-	-	8,146	-	-	-	(225,939)	-	(225,939)
Disposal of subsidiary companies	-	-	-	-	-	-	-	(1,713)	(1,713)	-	(1,713)
Redemption of redeemable preference shares in a subsidiary company	-	-	-	-	-	-	-	-	-	(3)	(3)
Total transactions with owners of the Company	-	(234,085)	-	-	8,319	1,034	-	(91,056)	(315,788)	(53,563)	(369,351)
Transfer to capital reserve	-	-	-	446	-	-	-	(446)	-	-	-
At 30 June 2015	163,953	152,953	30,064	63,650	(33,140)	1,327	(63,318)	872,332	1,187,821	106,656	1,294,477

**HONG LEONG INDUSTRIES BERHAD (5486-P)
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2015

← Attributable to owners of the Company →

← Non-distributable → Distributable

	Share capital RM'000	Share premium RM'000	Exchange equalisation reserve RM'000	Other reserves RM'000	Reserve for own shares RM'000	Executive share scheme reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Preceding year corresponding period ended 30 June 2014	163,953	387,038	1,772	20,624	(41,459)	-	(63,318)	701,042	1,169,652	113,166	1,282,818
At 1 July 2013	-	-	-	-	-	-	-	167,502	167,502	40,468	207,970
Profit for the period	-	-	1,226	-	-	-	-	-	1,226	-	1,226
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	-	-	-	-	-	-	-	-	-
- Gain on fair value of available- for-sale financial assets	-	-	-	4	-	-	-	-	4	-	4
Total comprehensive income for the period	-	-	1,226	4	-	-	-	167,502	168,732	40,468	209,200
Dividends	-	-	-	-	-	-	-	(77,088)	(77,088)	(38,485)	(115,573)
Share-based payments	-	-	-	-	-	293	-	-	293	-	293
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	(220)	(220)
Total transactions with owners of the Company	-	-	-	-	-	293	-	(77,088)	(76,795)	(38,705)	(115,500)
Transfer to capital redemption reserve	-	-	-	854	-	-	-	(854)	-	-	-
At 30 June 2014	163,953	387,038	2,998	21,482	(41,459)	293	(63,318)	790,602	1,261,589	114,929	1,376,518

Dividends received by the trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM3,310,000 (2013/2014: RM2,780,000) are eliminated against the dividend expense 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 2014.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 JUNE 2015

	Current Year- To-Date 30/06/2015 RM'000	Preceding Year Corresponding Period 30/06/2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		
- From continuing operations	300,500	237,677
- From discontinued operation	1,352	5,543
	301,852	243,220
Adjustments for:-		
Share of profit in associated companies, net of tax	(41,327)	(37,541)
Depreciation and amortisation	56,905	52,673
Dividend income	(12,800)	(40,560)
Non cash items	(19,119)	(22,402)
Net financing costs	7,840	57,641
Operating profit before changes in working capital	293,351	253,031
Changes in working capital		
Net change in current assets	(36,522)	(32,663)
Net change in current liabilities	(6,447)	7,584
Taxation paid	(50,912)	(48,380)
Net financing costs paid	(7,840)	(57,641)
Dividend received	42,612	71,431
Retirement benefits paid	(81)	(156)
Net cash generated from operating activities	234,161	193,206
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(56,294)	(50,809)
Proceeds from disposal of property, plant & equipment	1,725	11,300
Proceeds from redemption of investment in unit trust	548,175	-
Proceeds from disposal of quoted investment	17	-
Proceeds from redemption of redeemable preference shares in an associated company	5,360	-
Redemption of redeemable preference shares by non-controlling shareholder of a subsidiary company	(3)	-
Net cash & cash equivalents pending distribution	-	(12,247)
Cash contribution to non-controlling shareholders of a subsidiary company	-	(220)
Cash contribution from an associate company	78	360
Net cash generated from/(used in) investing activities	499,058	(51,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(89,424)	(77,088)
Dividend paid to non-controlling shareholders of subsidiary companies	(53,560)	(38,485)
Drawdown of borrowings	511,036	551,825
Repayment of borrowings	(994,169)	(736,476)
Net cash used in financing activities	(626,117)	(300,224)
NET CHANGE IN CASH AND CASH EQUIVALENTS	107,102	(158,634)
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	196,410	354,347
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	3,531	697
CASH & CASH EQUIVALENTS AT END OF PERIOD	307,043	196,410

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

	30/06/2015 RM'000	30/06/2014 RM'000
Deposits, cash and bank balances	307,043	196,410

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The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2014.

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 2014. This interim financial report also complies with International Accounting Standards (“IAS”) 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 2014 except for the adoption of hedge accounting pursuant to MFRS 139 Financial instruments: Recognition and measurement.

The Group has adopted the MFRSs, amendments and interpretations effective for annual periods beginning on or after 1 January 2014 and 1 July 2014 where applicable to the Group. The initial adoption of these applicable MFRS, 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

During the financial year-to-date, the share premium reserve of the Company was reduced from RM387.0 million to RM152.9 million pursuant to the capital reduction of HLI.

Save for the above, 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 30 June 2015 was 8,432,500 shares and the shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

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

During the quarter under review and financial year-to-date, 58,500 existing ordinary shares of RM0.50 each in the Company (“HLI Shares”) held by the ESS Trust were transferred to certain eligible executives of the Group arising from the vesting of HLI shares free of consideration pursuant to the Executive Share Grant Scheme.

As at 30 June 2015, the total number of shares held by the ESS Trust was 11,058,633 shares.

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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 dividend of 12.0 sen per share tax exempt, paid on 10 December 2014	38,337
Second interim dividend of 17.0 sen per share tax exempt, paid on 26 May 2015	54,310
	<u>92,647</u>

8. **Operating Segments**

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

	Consumer products	Industrial products	Industrial products (Discontinued Operation)	Total
	RM'000	RM'000	RM'000	RM'000
Segment profit	220,492	19,300	1,726	241,518

Included in the measure of segment profit are:

Revenue from external customers	1,534,545	596,377	66,627	2,197,549
Depreciation and amortisation	43,325	12,455	935	56,715

Reconciliation of reportable segment profit

Profit

Reportable segment	241,518
Non-reportable segment	26,848
Profit from discontinued operation	(1,726)
Interest income	2,712
Finance costs	(10,179)
Share of profit in associated companies, net of tax	41,327
Consolidated profit before taxation	<u>300,500</u>

	External revenue RM'000	Depreciation and amortisation RM'000
Reportable segment	2,197,549	56,715
Non-reportable segment	7,976	192
Discontinued operation	(66,627)	(935)
Total	<u>2,138,898</u>	<u>55,972</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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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) Hong Leong Maruken Sdn Bhd, a 70% subsidiary;
- (b) Varinet Sdn Bhd, a 60% subsidiary; and
- (c) Century Touch Sdn Bhd, a 70% indirect-owned subsidiary.

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) MZ Motorrad Group Limited ("MZB"), a wholly-owned subsidiary of the Company, has been placed under member's voluntary liquidation in the preceding quarter and during the quarter under review, the Registrar of Companies, Bermuda has issued a Certificate of Dissolution confirming that MZB has been dissolved.

iii) Taman Terang Sdn Bhd ("TT"), a wholly-owned subsidiary of the Company, has been placed under member's voluntary liquidation pursuant to Section 254(1)(b) of the Companies Act, 1965. Mr. Ling Kam Hoong and Ms Wong Swee Tyng of Messrs Ling Kam Hoong & Co. have been appointed as joint liquidators of TT.

11. Review of Performance

Following the completion of the corporate exercise in the quarter ended 31 December 2014, the results of Hume Concrete Sdn Bhd (formerly known as Hume Industries (Malaysia) Sdn Bhd) and its subsidiaries have been separately disclosed as discontinued operation ("Discontinued Operation").

For the quarter under review, the Group (excluding Discontinued Operation) recorded a revenue of RM527.8 million and profit before taxation ("PBT") of RM70.1 million as compared with a revenue and PBT of RM536.3 million and RM61.3 million respectively for the corresponding quarter of the preceding year ended 30 June 2014 ("FY 2014"). Despite the marginally lower revenue achieved, the Group recorded a higher PBT, mainly contributed by higher profit contributions from an associated company and better margins from both the consumer products and industrial products segments.

For the financial year-to-date, the Group (excluding Discontinued Operation) recorded a revenue of RM2,138.9 million and PBT of RM300.5 million as compared with a revenue and PBT of RM2,058.5 million and RM237.7 million respectively for the corresponding period of FY 2014. The higher PBT of the Group was mainly attributable to the higher sales recorded by our consumer products segment, lower production costs 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 (excluding Discontinued Operation) recorded a PBT of RM70.1 million as compared with a PBT of RM68.3 million recorded in the preceding quarter. The higher PBT was mainly due to higher profit contributions from associated companies.

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13. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance for both the consumer products and industrial products segment to be satisfactory for the financial year ending 30 June 2016.

14. Profit forecast / profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year To-date
	30/06/2015 RM'000	30/06/2015 RM'000
Continuing operations		
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(2,598)	(12,796)
Depreciation and amortisation	14,350	55,970
Impairment loss on trade receivables	128	317
Inventories written (back)/down	(1,796)	683
(Gain)/Loss on foreign exchange	(858)	866
Fair value (gain)/loss on derivative instruments	(581)	456
Gain on disposal of a property or quoted investments	-	(884)
Impairment of property, plant and equipment	-	-
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Discontinued operation		
Profit is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	-	(4)
Depreciation and amortisation	-	935
Reversal of impairment loss on trade receivables	-	(231)
Inventories written (back)/down	-	1,082
(Gain)/loss on foreign exchange	-	30
Fair value gain on derivative instruments	-	-
Gain on disposal of quoted/unquoted investments or properties	-	-
Impairment of property, plant and equipment	-	-
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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
	30/06/2015 RM'000	30/06/2014 RM'000	30/06/2015 RM'000	30/06/2014 RM'000
Current taxation				
Malaysian - current year	13,775	5,778	55,955	32,038
- prior years	-	1,325	25,317	1,368
Overseas - current year	42	84	46	185
- prior years	-	-	-	-
	<u>13,817</u>	<u>7,197</u>	<u>81,318</u>	<u>33,591</u>
Deferred taxation				
Malaysian - current year	1,941	1,531	1,372	1,302
- prior years	(386)	(833)	(131)	(818)
	<u>1,555</u>	<u>698</u>	<u>1,241</u>	<u>484</u>
Utilisation of tax credit receivables arising from unutilised reinvestment allowances				
Malaysian - current year	432	-	432	-
	<u>432</u>	<u>-</u>	<u>432</u>	<u>-</u>
Income tax attributable to continuing operations	15,804	7,895	82,991	34,075
Income tax attributable to discontinued operation	-	470	338	1,175
	<u>15,804</u>	<u>8,365</u>	<u>83,329</u>	<u>35,250</u>

The Group's effective tax rate for the financial year-to-date are higher than the statutory tax rate mainly due to a tax adjustment of RM23.9 million in respect of taxation under provided for in the previous financial years due to a portion of the interest cost incurred by the Company during the period is not allowed as tax deductions by the Malaysian Inland Revenue Board.

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 30 June 2015 are as follows:-

	RM'000
(i) Unsecured short term borrowings	137,609
(ii) Unsecured long term borrowings	-
	<u>137,609</u>

There were no borrowings denominated in foreign currencies as at 30 June 2015.

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 does not recommend any final dividend for the financial year ended 30 June 2015 (2013/2014: nil).
- (b) For the financial year-to-date, a total dividend of 29.0 sen per share tax exempt (2013/2014: 25.0 sen per share tax exempt) have 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 RM43,411,000 (4th quarter 2013/2014: RM43,478,000) by the weighted average number of ordinary shares during the quarter of 308,386,000 (4th quarter 2013/2014: 308,356,000).

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 RM173,232,000 (2013/2014: RM167,502,000) by the weighted average number of ordinary shares during the period of 308,363,000 (2013/2014: 308,356,000).

Weighted average number of ordinary shares

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2015 '000	Preceding Year Corresponding Quarter 30/06/2014 '000	Current Year- To- Date 30/06/2015 '000	Preceding Year Corresponding Period 30/06/2014 '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	(11,117)	(11,117)	(11,117)	(11,117)
	308,356	308,356	308,356	308,356
Effect of vested of ESS Trust Shares	30	-	7	-
Weighted average number of ordinary shares (basic)	308,386	308,356	308,363	308,356

- (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.

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The figures have not been audited

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
	30/06/2015 RM'000	30/06/2014 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- realised	923,348	872,540
- unrealised	(2,611)	(10,427)
	<u>920,737</u>	<u>862,113</u>
Total share of retained earnings of associated companies:		
- realised	104,436	86,782
- unrealised	5,099	2,983
	<u>109,535</u>	<u>89,765</u>
Less: Consolidation adjustments	(157,940)	(161,276)
Group retained earnings	<u>872,332</u>	<u>790,602</u>

By Order of the Board
 Hong Leong Industries Berhad

Joanne Leong Wei Yin
 Valerie Mak Mew Chan
 Company Secretaries

Kuala Lumpur
 21 August 2015