

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2019

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	30/09/2019 RM'000	30/09/2018 RM'000	30/09/2019 RM'000	30/09/2018 RM'000
Revenue	777,238	672,914	777,238	672,914
Cost of sales	(635,109)	(540,501)	(635,109)	(540,501)
Gross profit	142,129	132,413	142,129	132,413
Operating expenses	(44,793)	(47,788)	(44,793)	(47,788)
Other operating income / (expenses)	5,423	(1,658)	5,423	(1,658)
Operating profit	102,759	82,967	102,759	82,967
Interest income	940	1,017	940	1,017
Finance costs	(1,142)	(924)	(1,142)	(924)
Share of profit in associated companies, net of tax	6,512	24,783	6,512	24,783
Profit before taxation	109,069	107,843	109,069	107,843
Taxation	(24,188)	(19,818)	(24,188)	(19,818)
Profit for the period	84,881	88,025	84,881	88,025
Profit attributable to:				
Owners of the Company	63,351	70,046	63,351	70,046
Non-controlling interests	21,530	17,979	21,530	17,979
Profit for the period	84,881	88,025	84,881	88,025
Earnings per ordinary share (sen) :-				
(a) Basic	20.18	22.33	20.18	22.33
(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 2019.

Hong Leong Industries Berhad (5486-P)

Level 31, Menara Hong Leong, No.6, Jalan Damansara, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

www.hli.com.my


 HLIB/1

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2019 (Cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	30/09/2019 RM'000	30/09/2018 RM'000	30/09/2019 RM'000	30/09/2018 RM'000
Profit for the period	84,881	88,025	84,881	88,025
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	(267)	2,245	(267)	2,245
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences from foreign operations	(58)	193	(58)	193
Share of other comprehensive income of equity accounted associates, net of tax	3,022	1,058	3,022	1,058
Cash flow hedge	359	(34)	359	(34)
Total other comprehensive income for the period	3,056	3,462	3,056	3,462
Total comprehensive income for the period	87,937	91,487	87,937	91,487
Total comprehensive income attributable to:				
Owners of the Company	66,297	73,518	66,297	73,518
Non-controlling interests	21,640	17,969	21,640	17,969
Total comprehensive income for the period	87,937	91,487	87,937	91,487

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 2019.


HLIB/2

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2019	30/06/2019
	RM'000	RM'000
ASSETS		
Property, plant and equipment	293,861	296,017
Rights-of-use assets	21,830	-
Investment properties	4,000	4,000
Investments in associated companies	171,522	163,788
Other investments	33,472	34,026
Intangible assets	15,794	18,225
Deferred tax assets	12,987	10,929
Tax credit receivables	5,370	5,370
TOTAL NON-CURRENT ASSETS	558,836	532,355
Inventories	210,621	223,203
Trade and other receivables, including derivatives	381,353	370,704
Current tax assets	4,824	12,841
Cash and cash equivalents	1,190,067	1,039,941
TOTAL CURRENT ASSETS	1,786,865	1,646,689
TOTAL ASSETS	2,345,701	2,179,044
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	321,217	321,217
Reserves	1,435,936	1,369,354
Treasury shares - at cost	(63,318)	(63,318)
	1,693,835	1,627,253
NON-CONTROLLING INTERESTS	157,828	136,062
TOTAL EQUITY	1,851,663	1,763,315
LIABILITIES		
Deferred tax liabilities	5,766	9,034
Deferred income	2,753	3,191
Employee benefits	24,336	23,913
Lease liabilities	17,879	-
TOTAL NON-CURRENT LIABILITIES	50,734	36,138
Trade and other payables, including derivatives	364,847	309,155
Borrowings (unsecured)	38,110	38,730
Lease liabilities	4,251	-
Tax payable	36,096	31,706
TOTAL CURRENT LIABILITIES	443,304	379,591
TOTAL LIABILITIES	494,038	415,729
TOTAL EQUITY AND LIABILITIES	2,345,701	2,179,044
Net assets per share attributable to owners of the Company (RM)	5.39	5.18

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2019.

 HLIB/3h

QUARTERLY REPORTED ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019

←..... 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 30 September 2019											
At 1 July 2019	321,217	(63,318)	21,694	3,714	(212)	(16,469)	4,563	1,356,064	1,627,253	136,062	1,763,315
Profit for the period	-	-	-	-	-	-	-	63,351	63,351	21,530	84,881
Other comprehensive income/(expense):											
Loss on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(267)	(267)	-	(267)
Foreign currency translation differences	-	-	(58)	-	-	-	-	-	(58)	-	(58)
Share of other comprehensive income of equity accounted associates, net of tax	-	-	3,022	-	-	-	-	-	3,022	-	3,022
Cash flow hedge	-	-	-	-	249	-	-	-	249	110	359
Total comprehensive income for the period	-	-	2,964	-	249	-	-	63,084	66,297	21,640	87,937
Share-based payments/transactions	-	-	-	-	-	-	285	-	285	126	411
Total transactions with owners of the Company	-	-	-	-	-	-	285	-	285	126	411
At 30 September 2019	321,217	(63,318)	24,658	3,714	37	(16,469)	4,848	1,419,148	1,693,835	157,828	1,851,663

Handwritten signature

HONG LEONG INDUSTRIES BERHAD (5486-P)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Preceding year corresponding period ended 30 September 2018											
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	-	-	-	-	-	-	-	70,046	70,046	17,979	88,025
Other comprehensive income/(expense)											
Loss on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	2,245	2,245	-	2,245
Foreign currency translation differences	-	-	193	-	-	-	-	-	193	-	193
Share of other comprehensive income of equity accounted associates, net of tax	-	-	1,058	-	-	-	-	-	1,058	-	1,058
Cash flow hedge	-	-	-	-	(24)	-	-	-	(24)	(10)	(34)
Total comprehensive income/(expense) for the period	-	-	1,251	-	(24)	-	-	72,291	73,518	17,969	91,487
Share-based payments/transactions											
ESS shares exercised	-	-	-	-	-	396	(121)	284	559	-	559
Total transactions with owners of the Company	-	-	-	-	-	396	313	284	993	191	1,184
At 30 September 2018	321,217	(63,318)	22,133	3,714	159	(16,827)	3,265	1,264,444	1,534,787	142,656	1,677,443

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 2019.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2019

	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2019	30/09/2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	109,069	107,843
Adjustments for:-		
Share of profit in associated companies, net of tax	(6,512)	(24,783)
Depreciation and amortisation	16,076	15,781
Dividend income	(8,091)	(6,859)
Non cash item	528	(975)
Net financing costs	202	(93)
Operating profit before changes in working capital	<u>111,272</u>	<u>90,914</u>
Changes in working capital		
Net change in current assets	1,700	(10,954)
Net change in current liabilities	56,541	33,841
Taxation paid	(17,651)	(15,232)
Net financing costs received	214	93
Dividend received	9,891	6,859
Retirement benefits paid	(93)	(118)
Net cash generated from operating activities	<u>161,874</u>	<u>105,403</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(9,570)	(5,498)
Addition of intangible assets	(742)	(1,055)
Proceeds from disposal of property, plant & equipment	599	159
Net cash generated used in investing activities	<u>(9,713)</u>	<u>(6,394)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Disposal of Trust Shares	-	559
Repayment of lease liabilities	(1,547)	-
Drawdown of borrowings	36,120	49,545
Repayment of borrowings	(36,740)	(68,945)
Net cash used in financing activities	<u>(2,167)</u>	<u>(18,841)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	149,994	80,168
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,039,941	831,340
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	132	189
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>1,190,067</u>	<u>911,697</u>

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

	30/09/2019	30/09/2018
	RM'000	RM'000
Deposits, cash and bank balances	<u>1,190,067</u>	<u>911,697</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 2019.

 HLIB/6 h

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

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 2019. 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 2019 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2019 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 except for the adoption of MFRS 16 Leases which requires the lessee to recognise the right-of-use of the underlying lease asset and future lease payments liabilities in the statement of financial position.

In accordance with the transitional provisions provided in MFRS 16 Leases, comparative information for the previous financial year ended 30 June 2019 were not restated. The financial impact on the financial statements of the Group arising from the adoption of MFRS 16 Leases on 1 July 2019 are as follows:

Condensed Statement of Financial Position

	At 30 June 2019 RM’000	Adoption of MFRS 16 RM’000	At 1 July 2019 RM’000
Non-current assets			
Right-of-use assets	-	23,266	23,266
Non-current liabilities			
Lease liabilities	-	17,883	17,883
Current liabilities			
Lease Liabilities	-	5,383	5,383

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.

 HLIB/7 

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

6. **Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

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 September 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.

There were no additional shares purchased by the ESS Trusts during the quarter under review. As at 30 September 2019, the total number of ordinary shares in the Company held by the ESS Trusts was 5,480,000 ordinary shares.

7. **Dividend paid**

There were no dividend paid during the quarter under review and financial year-to-date.

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)	99,642	(754)	98,888
Included in the measure of segment profit are:			
Revenue from external customers	666,891	104,301	771,192
Depreciation and amortisation	12,802	3,272	16,074
Reconciliation of reportable segment profit			
Profit			
Reportable segment			98,888
Non-reportable segment			3,871
Interest income			940
Finance costs			(1,142)
Share of profit in associated companies, net of tax			6,512
Consolidated profit before taxation			109,069
	External revenue RM'000	Depreciation and amortisation RM'000	
Reportable segment	771,192	16,074	
Non-reportable segment	6,046	2	
Total	777,238	16,076	

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.



HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

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:

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 RM777 million and profit before taxation ("PBT") of RM109 million as compared with revenue and PBT of RM673 million and RM108 million respectively for the corresponding quarter of the preceding year ended 30 June 2019 ("FY 2019").

The improvement in revenue for the quarter under review were contributed by the higher sales from the consumer products segment. The slight improvement in PBT was contributed by the higher revenue from consumer product segment but partly negated by the lower share of profit 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 RM109 million as compared with PBT of RM127 million for the preceding quarter. The PBT for the preceding quarter was higher than the quarter under review as there was higher other operating income in the preceding quarter which comprised mainly the write back of provision for inventories and trade receivable as well as higher fair value gain on other investments. The lower PBT in the quarter under review was also due to the lower share of profit from an associated company.

13. Prospects

Barring any unforeseen circumstances, the Board expects the Group's performance for the consumer products segment to be satisfactory while the industrial products segment remains challenging for the financial year ending 30 June 2020.

14. Profit forecast/profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter	Current Year To-date
	30/09/2019	30/09/2019
	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(8,091)	(8,091)
Depreciation and amortisation	16,076	16,076
Write back of impairment loss of trade receivables	(81)	(81)
Write back of provision for inventories	(1,585)	(1,585)
Loss on foreign exchange	290	290
Fair value loss of equity investment at fair value through profit or loss	287	287
Share-based payments	411	411
Gain on disposal of property, plant and equipment	(564)	(564)

 HLIB/9

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

17. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current year	23,580	18,377	23,580	18,377
- prior years	(427)	1,441	(427)	1,441
	<u>23,153</u>	<u>19,818</u>	<u>23,153</u>	<u>19,818</u>
Deferred taxation				
Malaysian - current year	(25)	-	(25)	-
- prior years	1,060	-	1,060	-
	<u>1,035</u>	<u>-</u>	<u>1,035</u>	<u>-</u>
	<u>24,188</u>	<u>19,818</u>	<u>24,188</u>	<u>19,818</u>

The Group's effective tax rate for the quarter under review and financial year-to-date is lower than the statutory tax rate mainly due to certain income not taxable.

18. **Corporate Proposals**

There are no corporate proposals announced but not completed as at the date of this report.

19. **Group's borrowings and debt securities**

Particulars of the Group's borrowings and debt securities as at 30 September 2019 are as follows:-

	RM'000
Unsecured short-term borrowings	<u>38,110</u>

There were no borrowings denominated in foreign currencies as at 30 September 2019.

20. **Changes in Material Litigation**

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

21. **Dividend**

- (a) The Board has declared an interim single tier dividend of 17 sen per share for the quarter ended 30 September 2019 of the financial year ending 30 June 2020 (2018/2019: single tier dividend of 15.0 sen per share) to be paid on 27 December 2019 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 11 December 2019.

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 11 December 2019 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.

 HLIB/10 

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

The figures have not been audited

21. **Dividend (cont'd)**

- (b) For the financial year-to-date, single tier dividend of 17 sen per share (2018/2019: single tier dividend of 15.0 sen per share) has been declared.

22. **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 RM63,351,000 (1st quarter 2018/2019: RM70,046,000) by the weighted average number of ordinary shares during the quarter of 313,993,000 (1st quarter 2018/2019: 313,745,000).

	<i>Weighted average number of ordinary shares</i>			
	Individual Quarter	Individual Quarter	Cumulative Quarter	Cumulative Quarter
	Current	Preceding	Current	Preceding
	Year	Year	Year- To-	Year
	Quarter	Corresponding	Date	Corresponding
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	'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	(5,480)	(5,732)	(5,480)	(5,732)
	313,993	313,741	313,993	313,741
Effect of Trust Shares vested	-	4	-	4
Weighted average number of ordinary shares (basic)	313,993	313,745	313,993	313,745

- (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.

HONG LEONG INDUSTRIES BERHAD (5486-P)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2019

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 30 September 2019, 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	4,824	57

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 2019.

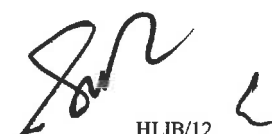
24. Gains/losses arising from fair value changes of financial liabilities

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
26 November 2019



HLIB/12