

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2016**

The figures have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2016**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To -Date	Preceding Year Corresponding Period
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
<b>Revenue</b>	573,603	527,800	2,190,629	2,138,898
Cost of sales	(456,082)	(432,201)	(1,781,586)	(1,717,706)
<b>Gross profit</b>	117,521	95,599	409,043	421,192
Operating expenses	(51,633)	(44,938)	(186,275)	(190,703)
Other operating income	8,533	6,259	21,177	36,151
<b>Operating profit</b>	74,421	56,920	243,945	266,640
Interest income	993	655	2,978	2,712
Finance costs	(1,490)	(1,589)	(6,314)	(10,179)
Share of profit in associated companies, net of tax	23,375	14,067	102,535	41,327
<b>Profit before taxation</b>	97,299	70,053	343,144	300,500
Taxation	(13,716)	(15,804)	(52,564)	(82,991)
<b>Profit from continuing operations</b>	83,583	54,249	290,580	217,509
Profit from discontinued operation, net of tax (NI)	-	-	-	1,013
<b>Profit for the period</b>	83,583	54,249	290,580	218,522
<b>Profit attributable to:</b>				
Owners of the Company	69,494	43,411	247,223	173,232
Non-controlling interests	14,089	10,838	43,357	45,290
<b>Profit for the period</b>	83,583	54,249	290,580	218,522
<b>Earnings per ordinary share (sen) :-</b>				
(a) Basic	22.53	14.08	80.16	56.18
(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 2015.

**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 2016 (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - To-Date	Preceding Year Corresponding Period
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
<b>Profit for the period</b>	83,583	54,249	290,580	218,522
Foreign currency translation differences for foreign operations	4,641	1,974	5,009	27,066
Gain/(loss) on fair value of available-for-sale financial assets	(2,190)	3,038	(9,433)	41,736
Reversal of fair value reserve upon disposal of available-for-sale financial asset	-	-	-	(14)
Cash flow hedge	1,060	-	146	-
<b>Total comprehensive income for the period</b>	<b>87,094</b>	<b>59,261</b>	<b>286,302</b>	<b>287,310</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	72,771	48,423	242,945	242,020
Non-controlling interests	14,323	10,838	43,357	45,290
<b>Total comprehensive income for the period</b>	<b>87,094</b>	<b>59,261</b>	<b>286,302</b>	<b>287,310</b>

(N1)

Hume Concrete Sdn Bhd ("HCCT") has ceased to be a subsidiary of the Company following the completion of the corporate exercise of HLI in the second quarter ended 31 December 2014 for the financial year ended 30 June 2015. 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 2015.**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/06/2016 RM'000	30/06/2015 RM'000
<b>ASSETS</b>		
Property, plant and equipment	375,029	381,079
Investment properties	4,000	4,000
Investments in associated companies	385,310	383,089
Other investments	61,278	71,064
Intangible assets	15,585	16,213
Deferred tax assets	3,083	1,586
Tax credit receivables	5,646	5,646
<b>TOTAL NON-CURRENT ASSETS</b>	<b>849,931</b>	<b>862,677</b>
Inventories	205,600	209,131
Trade and other receivables	411,362	387,071
Current tax assets	14,032	14,322
Derivative financial assets	299	188
Cash and cash equivalents	399,503	307,043
<b>TOTAL CURRENT ASSETS</b>	<b>1,030,796</b>	<b>917,755</b>
<b>TOTAL ASSETS</b>	<b>1,880,727</b>	<b>1,780,432</b>
Share capital	163,953	163,953
Reserves	1,202,151	1,087,186
Treasury shares - at cost	(63,318)	(63,318)
	1,302,786	1,187,821
<b>NON-CONTROLLING INTERESTS</b>	<b>97,163</b>	<b>106,656</b>
<b>TOTAL EQUITY</b>	<b>1,399,949</b>	<b>1,294,477</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	12,736	10,443
Deferred income	5,006	5,598
Employee benefits	24,042	22,667
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>41,784</b>	<b>38,708</b>
Trade and other payables	295,267	284,803
Borrowings (unsecured)	127,965	137,609
Derivative financial liabilities	-	1,136
Tax payable	15,762	23,699
<b>TOTAL CURRENT LIABILITIES</b>	<b>438,994</b>	<b>447,247</b>
<b>TOTAL LIABILITIES</b>	<b>480,778</b>	<b>485,955</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,880,727</b>	<b>1,780,432</b>
Net assets per share attributable to owners of the Company (RM)	4.22	3.85

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2015.

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016**

← ..... Attributable to owners of the Company ..... →

← ..... Non-distributable ..... → Distributable

	Share capital	Share premium	Exchange equalisation reserve	Fair value reserve	Hedging reserve	Other reserves	Reserve for own shares	Executive share scheme reserve	Treasury shares	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	RM'000	RM'000
Current year-to-date ended 30 June 2016	163,953	152,953	30,064	41,736	-	21,914	(33,140)	1,327	(63,318)	872,332	1,187,821	106,656	1,294,477
Profit for the period	-	-	-	-	-	-	-	-	-	247,223	247,223	43,357	290,580
Other comprehensive income/(expense)	-	-	5,009	-	-	-	-	-	-	-	5,009	-	5,009
- Foreign currency translation differences	-	-	-	(9,433)	-	-	-	-	-	-	(9,433)	-	(9,433)
- Loss on fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cash flow hedge	-	-	-	-	146	-	-	-	-	-	146	-	146
<b>Total comprehensive income/(expense) for the period</b>	-	-	5,009	(9,433)	146	-	-	-	-	247,223	242,945	43,357	286,302
Dividends	-	-	-	-	-	-	-	-	-	(129,534)	(129,534)	(52,689)	(182,223)
Share-based payments	-	-	-	-	-	-	-	1,210	-	344	1,554	19	1,573
Share vested	-	-	-	-	-	-	202	-	-	(202)	-	-	-
Liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(180)	(180)
<b>Total transactions with owners of the Company</b>	-	-	-	-	-	-	202	1,210	-	(129,392)	(127,980)	(52,850)	(180,830)
At 30 June 2016	163,953	152,953	35,073	32,303	146	21,914	(32,938)	2,537	(63,318)	990,163	1,302,786	97,163	1,399,949

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016**

← ..... Attributable to owners of the Company ..... →

← ..... Non-distributable ..... → Distributable

	Share capital	Share premium	Exchange equalisation reserve	Fair value 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	RM'000
Preceding year corresponding period ended 30 June 2015	163,953	387,038	2,998	14	21,468	(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 income/(expense)	-	-	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)
<b>Total comprehensive income for the period</b>	-	-	27,066	41,722	-	-	-	-	173,232	242,020	45,290	287,310
Dividends	-	-	-	-	-	-	-	-	(89,424)	(89,424)	(53,560)	(12,984)
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 preferences shares in a subsidiary companies	-	-	-	-	-	-	-	-	-	-	(3)	(3)
<b>Total transactions with owners of the Company</b>	-	(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	41,736	21,914	(33,140)	1,327	(63,318)	872,332	1,187,821	106,656	1,294,477

Dividends received by trust set up for the Executive Share Scheme ("ESS") ("ESS Trust") amounted to RM4,645,000 (2014/2015: RM3,223,000) 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 2015.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED**  
**30 JUNE 2016**

	<b>Current Year- To-Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		
- From continuing operations	343,144	300,500
- From discontinued operation	-	1,351
	<u>343,144</u>	<u>301,851</u>
Adjustments for:-		
Share of profit in associated companies, net of tax	(102,535)	(41,327)
Depreciation and amortisation	59,951	56,834
Dividend income	(10,834)	(12,800)
Non cash items	(3,288)	(16,012)
Net financing costs	3,336	7,842
Operating profit before changes in working capital	<u>289,774</u>	<u>296,388</u>
Changes in working capital		
Net change in current assets	(19,978)	(36,511)
Net change in current liabilities	13,437	(9,458)
Taxation paid	(62,370)	(50,912)
Net financing costs paid	(3,336)	(7,842)
Dividend received	114,615	42,612
Retirement benefits paid	(601)	(81)
<b>Net cash generated from operating activities</b>	<u>331,541</u>	<u>234,196</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(55,449)	(56,294)
Proceeds from disposal of property, plant & equipment	6,913	1,725
Cash distribution to non-controlling shareholder of a subsidiary company	(180)	-
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)
Cash contribution from an associate company	-	78
<b>Net cash (used in)/generated from investing activities</b>	<u>(48,716)</u>	<u>499,058</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to owners of the Company	(129,534)	(89,424)
Dividend paid to non-controlling shareholders of subsidiary companies	(52,689)	(53,560)
Drawdown of borrowings	187,180	511,036
Repayment of borrowings	(196,824)	(994,169)
<b>Net cash used in financing activities</b>	<u>(191,867)</u>	<u>(626,117)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	90,958	107,137
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	307,043	196,410
<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD</b>	1,502	3,496
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<u>399,503</u>	<u>307,043</u>

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

	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits, cash and bank balances	<u>399,503</u>	<u>307,043</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 2015.

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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 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 2015. 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 2015.

**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 30 June 2016 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, 68,250 existing ordinary shares of RM0.50 each in the Company (“HLI Shares”) held in 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 2016, the total number of shares held by the ESS Trust was 10,990,383 shares.

**7. Dividend paid**

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

	<b>Current year-to-date RM'000</b>
First interim single tier dividend of 13.0 sen per share, paid on 17 December 2015	41,531
Second interim single tier dividend of 19.0 sen per share, paid on 24 May 2016	60,700
Special interim single tier dividend of 10.0 sen per share, paid on 24 May 2016	31,947
	<u>134,178</u>

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**8. Operating Segments**

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

	<b>Consumer products</b>	<b>Industrial products</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Segment profit</b>	219,750	20,412	240,162
Included in the measure of segment profit are:			
Revenue from external customers	1,603,706	580,888	2,184,594
Depreciation and amortisation	45,567	13,196	58,763
<b>Reconciliation of reportable segment profit</b>			
<b>Profit</b>			
Reportable segment			240,162
Non- reportable segment			3,783
Interest income			2,978
Finance costs			(6,314)
Share of profit in associated companies, net of tax			102,535
Consolidated profit before taxation			343,144
– Continuing operations			343,144
		<b>External revenue RM'000</b>	<b>Depreciation and amortisation RM'000</b>
Reportable segment		2,184,594	59,759
Non-reportable segment		6,035	192
<b>Total</b>		<b>2,190,629</b>	<b>59,951</b>

**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) Varinet Sdn Bhd, a 60% subsidiary;
- (b) Century Touch Sdn Bhd, a 70% indirect-owned subsidiary; and
- (c) Taman Terang Sdn Bhd, a wholly-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) Hong Leong Maruken Sdn Bhd ("HL Maruken"), a 70% owned subsidiary of the Company, has been placed under members' voluntary liquidation pursuant to Section 245(1)(b) of the Companies Act, 1965. The liquidator of HL Maruken has convened a Final Meeting to conclude the Members' Voluntary Liquidation of HL Maruken and accordingly, HL Maruken has been dissolved on 4 August 2016.

**11. Review of Performance**

For the quarter under review, the Group recorded a revenue of RM573.6 million and profit before taxation ("PBT") of RM97.3 million as compared with a revenue and PBT of RM527.8 million and RM70.1 million respectively for the corresponding quarter of the preceding year ended 30 June 2015 ("FY 2015"). The increase in PBT was mainly attributable to higher revenue for consumer products segment and higher profit contribution from an associated company.

For the financial year-to-date, the Group recorded a revenue of RM2,190.6 million and PBT of RM343.1 million as compared with a revenue and PBT of RM2,138.9 million and RM300.5 million respectively for the corresponding period of FY 2015. The improvement in PBT for the financial year-to-date as compared with the corresponding period of FY 2015 was mainly attributable to higher profit contribution from an associated company, partly offset by higher production cost due to the weakening of the RM against the USD from the consumer products segment.

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

For the quarter under review, the Group recorded a PBT of RM97.3 million as compared with a PBT of RM82.8 million recorded in the preceding quarter. The improvement in PBT was mainly due to favourable sales mix for consumer products segment, partly offset by lower contribution from an associated company.

**13. Prospects**

Barring any unforeseen circumstances, the Board expects the Group's performance for both the consumer products and industrial products segments to be satisfactory for the financial year ending 30 June 2017.

**14. Profit forecast / profit guaranteed**

This note is not applicable.

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15. **Profit before taxation**

	Current Year Quarter 30/06/2016 RM'000	Current Year To-date 30/06/2016 RM'000
<b>Continuing operations</b>		
Profit before taxation is arrived at after charging/(crediting) :-		
Gross dividend income from other investments	(2,811)	(9,855)
Depreciation and amortisation	15,650	59,951
Allowance of impairment and write off of trade receivables (Reversal of provision)/Provision for and write off of	144	314
inventories	(1,540)	(4,127)
Gain on foreign exchange	(1,766)	(1,007)
Fair value loss on derivative instruments	(2,606)	303
Share-based payments	1,018	3,710
Gain on disposal of a property	-	(4,565)
Impairment of property, plant and equipment	37	37

16. **Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- to-date	Preceding Year Corresponding Period
	30/06/2016 RM'000	30/06/2015 RM'000	30/06/2016 RM'000	30/06/2015 RM'000
Current taxation				
Malaysian - current year	16,171	13,775	54,590	55,955
- prior years	(3,174)	-	(2,824)	25,317
Overseas - current year	10	42	48	46
	13,007	13,817	51,814	81,318
Deferred taxation				
Malaysian - current year	739	1,941	750	1,372
- prior years	-	(386)	-	(131)
	739	1,555	750	1,241
Utilisation of tax credit receivables arising from unutilised reinvestment allowances				
Malaysian - prior years	-	432	-	432
		432		432
Income tax attributable to continuing operations	13,716	15,804	52,564	82,991
Income tax attributable to discontinued operation	-	-	-	338
	13,716	15,804	52,564	83,329

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 were not taxable.

The Group's effective tax rate for the corresponding period of FY 2015 is higher than the statutory tax rate mainly due to provision for taxation under provided for prior years.

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**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 2016 are as follows:-

Unsecured short term borrowings	<b>RM'000</b> <u>127,965</u>
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There were no borrowings denominated in foreign currencies as at 30 June 2016.

**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 2016 (2014/2015: nil)
- (b) For the financial year-to-date, a total of 42.0 sen, single tier dividend of 32.0 sen per share and special single tier dividend of 10.0 sen per share (2014/2015: 29.0 sen per share tax exempt), has been declared.

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**The figures have not been audited**

**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 RM69,494,000 (4<sup>th</sup> quarter 2014/2015: RM43,411,000) by the weighted average number of ordinary shares during the quarter of 308,449,000 (3<sup>rd</sup> quarter 2014/2015: 308,386,000).

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 RM247,223,000 (2014/2015: RM173,232,000) by the weighted average number of ordinary shares during the period of 308,423,000 (2014/2015: 308,363,000).

*Weighted average number of ordinary shares*

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2016 '000	Preceding Year Corresponding Quarter 30/06/2015 '000	Current Year- To-Date 30/06/2016 '000	Preceding Year Corresponding Period 30/06/2015 '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	(11,059)	(11,117)	(11,059)	(11,117)
	308,414	308,356	308,414	308,356
Effect of vested of ESS Trust Shares	35	30	9	7
Weighted average number of ordinary shares (basic)	308,449	308,386	308,423	308,363

**(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
	30/06/2016 RM'000	30/06/2015 RM'000
Total retained earnings of the Company and its subsidiaries:-		
- realised	1,009,402	923,370
- unrealised	(9,721)	(2,643)
	<u>999,681</u>	<u>920,727</u>
Total share of retained earnings of associated companies:		
- realised	100,869	103,181
- unrealised	6,114	5,089
	<u>106,983</u>	<u>108,270</u>
Less: Consolidation adjustments	(116,501)	(156,665)
Group retained earnings	<u>990,163</u>	<u>872,332</u>

By Order of the Board  
 Hong Leong Industries Berhad

Joanne Leong Wei Yin  
 Valerie Mak Mew Chan  
 Company Secretaries

Kuala Lumpur  
 18 August 2016