

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2024

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Revenue	929,747	835,878	929,747	835,878
Cost of sales	(687,557)	(658,051)	(687,557)	(658,051)
Gross profit	242,190	177,827	242,190	177,827
Operating expenses	(43,579)	(40,330)	(43,579)	(40,330)
Other operating income/(expenses)	14,443	(1,174)	14,443	(1,174)
Operating profit	213,054	136,323	213,054	136,323
Interest income	16,729	14,694	16,729	14,694
Finance costs	(256)	(381)	(256)	(381)
Share of profit in associated companies, net of tax	9,428	1,276	9,428	1,276
Profit before taxation	238,955	151,912	238,955	151,912
Taxation	(52,195)	(33,654)	(52,195)	(33,654)
Profit for the period	186,760	118,258	186,760	118,258
Profit attributable to:				
Owners of the Company	140,560	87,670	140,560	87,670
Non-controlling interests	46,200	30,588	46,200	30,588
Profit for the period	186,760	118,258	186,760	118,258
Earnings per ordinary share (sen): -				
(a) Basic	44.66	27.86	44.66	27.86
(b) 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 Audited Financial Statements for the Financial Year Ended 30 June 2024.

Hong Leong Industries Berhad (196401000167 (5486-P))

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2024

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2024 (Cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Profit for the period	186,760	118,258	186,760	118,258
Other comprehensive (expense)/income, 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 expense	(28,409)	(259)	(28,409)	(259)
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences from foreign operations	(884)	18	(884)	18
Share of other comprehensive expense of equity accounted associates, net of tax	(13,609)	(3,617)	(13,609)	(3,617)
Cash flow hedge	(39,194)	1,962	(39,194)	1,962
Total other comprehensive expense for the period	(82,096)	(1,896)	(82,096)	(1,896)
Total comprehensive income for the period	104,664	116,362	104,664	116,362
Total comprehensive income attributable to:				
Owners of the Company	68,054	85,174	68,054	85,174
Non-controlling interests	36,610	31,188	36,610	31,188
Total comprehensive income for the period	104,664	116,362	104,664	116,362

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2024

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/09/2024	30/06/2024
	RM'000	RM'000
ASSETS		
Property, plant and equipment	202,198	184,933
Right-of-use assets	21,446	20,800
Investment property	4,000	4,000
Investments in associated companies	178,769	186,550
Other investments	58,944	87,353
Intangible assets	21,464	28,189
Deferred tax assets	24,778	24,778
Tax credit receivable	457	457
TOTAL NON-CURRENT ASSETS	512,056	537,060
Inventories	262,379	209,325
Trade and other receivables, including derivatives	305,823	306,789
Current tax assets	647	606
Short-term investments and deposits placed with licensed banks	1,242,217	839,806
Cash and cash equivalents	668,634	913,373
	2,479,700	2,269,899
Assets classified as held for sale	-	350
TOTAL CURRENT ASSETS	2,479,700	2,270,249
TOTAL ASSETS	2,991,756	2,807,309
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	321,217	321,217
Reserves	1,950,241	1,848,475
Treasury shares - at cost	(63,318)	(63,318)
	2,208,140	2,106,374
NON-CONTROLLING INTERESTS	238,909	196,780
TOTAL EQUITY	2,447,049	2,303,154
LIABILITIES		
Loans and borrowings	10,821	-
Lease liabilities	3,080	2,374
Deferred tax liabilities	2,922	2,922
Employee benefits	17,172	17,424
TOTAL NON-CURRENT LIABILITIES	33,995	22,720
Lease liabilities	3,443	3,443
Trade and other payables, including derivatives	439,349	402,483
Tax payable	67,920	75,509
TOTAL CURRENT LIABILITIES	510,712	481,435
TOTAL LIABILITIES	544,707	504,155
TOTAL EQUITY AND LIABILITIES	2,991,756	2,807,309
Net assets per share attributable to owners of the Company (RM)	7.02	6.70

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Attributable to owners of the Company							Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	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				
Current year-to-date ended 30 September 2024											
At 1 July 2024	321,217	(63,318)	29,112	3,714	(231)	(14,702)	4,100	1,826,482	2,106,374	196,780	2,303,154
Profit for the period	-	-	-	-	-	-	-	140,560	140,560	46,200	186,760
Other comprehensive (expense)/income: -	-	-	-	-	-	-	-	-	-	-	-
Loss on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(28,409)	(28,409)	-	(28,409)
Foreign currency translation differences	-	-	(884)	-	-	-	-	-	(884)	-	(884)
Share of other comprehensive expense of equity accounted associates, net of tax	-	-	(13,609)	-	-	-	-	-	(13,609)	-	(13,609)
Cash flow hedge	-	-	-	-	(29,604)	-	-	-	(29,604)	(9,590)	(39,194)
Total comprehensive (expense)/income for the period	-	-	(14,493)	-	(29,604)	-	-	112,151	68,054	36,610	104,664
Share-based payments/transactions	-	-	-	-	-	-	828	-	828	365	1,193
Disposal of trust shares	-	-	-	-	-	10,475	-	22,409	32,884	5,154	38,038
Total transactions with owners of the Company	-	-	-	-	-	10,475	828	22,409	33,712	5,519	39,231
At 30 September 2024	321,217	(63,318)	14,619	3,714	(29,835)	(4,227)	4,928	1,961,042	2,208,140	238,909	2,447,049

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2024

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (Cont'd)

	Attributable to owners of the Company							Distributable			
	Non-distributable										
	Share capital	Treasury shares	Exchange fluctuation reserve	Other reserves	Hedging reserve	Reserve for own shares	Executive share scheme reserve	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
Preceding year corresponding period ended 30 September 2023											
At 1 July 2023	321,217	(63,318)	39,287	3,714	310	(14,953)	1,277	1,740,364	2,027,898	160,322	2,188,220
Profit for the period	-	-	-	-	-	-	-	87,670	87,670	30,588	118,258
Other comprehensive (expense)/income:											
Loss on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(259)	(259)	-	(259)
Foreign currency translation differences	-	-	18	-	-	-	-	-	18	-	18
Share of other comprehensive expense of equity accounted associates, net of tax	-	-	(3,617)	-	-	-	-	-	(3,617)	-	(3,617)
Cash flow hedge	-	-	-	-	1,362	-	-	-	1,362	600	1,962
Total comprehensive (expense)/income for the period	-	-	(3,599)	-	1,362	-	-	87,411	85,174	31,188	116,362
Share-based payments/transactions	-	-	-	-	-	-	754	-	754	333	1,087
Total transactions with owners of the Company	-	-	-	-	-	-	754	-	754	333	1,087
At 30 September 2023	321,217	(63,318)	35,688	3,714	1,672	(14,953)	2,031	1,827,775	2,113,826	191,843	2,305,669

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2024

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2024

	Current Year- To-Date 30/09/2024 RM'000	Preceding Year Corresponding Period 30/09/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	238,955	151,912
Adjustments for: -		
Share of profit in associated companies, net of tax	(9,428)	(1,276)
Depreciation and amortisation	15,928	17,947
Dividend income	(791)	(194)
Gain on disposal of property, plant and equipment	(12,675)	(204)
Non-cash items	(2,435)	2,627
Interest income	(16,729)	(14,694)
Finance costs	256	381
Operating profit before changes in working capital	213,081	156,499
Changes in working capital		
Net change in current assets	(51,106)	27,627
Net change in current liabilities	73	(39,640)
Tax paid	(60,717)	(36,233)
Interest income received	16,729	14,694
Finance costs paid	(256)	(381)
Dividend received	4,391	194
Retirement benefits paid	(156)	(568)
Net cash generated from operating activities	122,039	122,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(23,497)	(3,029)
Addition of intangible assets	(494)	(497)
(Placement)/Uplift in short-term investments and deposits placed with licensed banks	(402,411)	96,950
Proceeds from disposal of property, plant and equipment	13,917	223
Net cash (used in)/generated from investing activities	(412,485)	93,647
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(2,457)	(1,084)
Drawdown of borrowings	10,821	24,430
Repayment of borrowings	-	(30,610)
Proceeds from disposal of trust shares	38,038	-
Net cash generated from/(used in) financing activities	46,402	(7,264)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(244,044)	208,575
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	(695)	1
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	913,373	535,121
CASH & CASH EQUIVALENTS AT END OF PERIOD	668,634	743,697

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

	30/09/2024 RM'000	30/09/2023 RM'000
Term investment account-i	412,599	135,940
Deposits, cash and bank balances	256,035	599,501
	668,634	735,441
Assets classified as held for sale	-	8,256
	668,634	743,697

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the Financial Year Ended 30 June 2024.

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HONG LEONG INDUSTRIES BERHAD (196401000167 (5486-P))
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER
ENDED 30 SEPTEMBER 2024

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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 paragraph 9.22 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 2024. 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 financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2024 except for the adoption of MFRS accounting standards, interpretations and amendments that are effective for financial year beginning on or after 1 July 2024 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.

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 amounts 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 ordinary shares of the Company (“HLI Shares”) bought back as of 30 September 2024 was 8,432,500 HLI Shares and the shares are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

(b) During the quarter under review, a total of 3,368,436 of HLI Shares held in the Executive Share Scheme (“ESS”) Trust were disposed at market price.

There were no additional shares purchased by the Executive Share Scheme (“ESS”) Trusts during the quarter under review and financial year-to-date. The total number of HLI Shares held by the ESS Trusts as of 30 September 2024 was 1,396,354 HLI Shares.

There were no issuance of shares, shares cancellation, resale of treasury shares or repayment of debt or equity securities during the quarter under review and financial year-to-date.

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7. Dividend paid

There was 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	
	RM'000	
Segment profit		<u>206,255</u>
Included in the measure of segment profit are:		
Revenue from external customers		903,802
Depreciation and amortisation		<u>(15,475)</u>
Reconciliation of reportable segment profit	RM'000	
Profit		
Reportable segment		206,255
Non-reportable segment		16,227
Interest income		16,729
Finance costs		<u>(256)</u>
Consolidated profit before taxation		<u>238,955</u>
	External revenue	Depreciation and
	RM'000	amortisation
Reportable segment	903,802	(15,475)
Non-reportable segment	25,945	(453)
Total	<u>929,747</u>	<u>(15,928)</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.

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:

- (i) Glenex Sdn Bhd, an indirect wholly-owned subsidiary; and
- (ii) Maxider Sdn Bhd, a wholly-owned subsidiary.

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

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11. Review of Performance

For the quarter under review and the financial year-to-date, the Group recorded revenue of RM929 million and profit before taxation (“PBT”) of RM239 million as compared with revenue of RM836 million and PBT of RM152 million for the corresponding quarter of the financial year ended 30 June 2024 (“FY2024”).

The higher revenue for the quarter under review was mainly attributed to the higher sales from higher market demand of motorcycles. The improved PBT was mainly contributed by the higher sales of motorcycles business and a gain of RM12.6 million from the disposal of a land.

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

For the quarter under review, the Group recorded PBT of RM239 million as compared with PBT of RM170 million for the preceding quarter. The improved PBT was mainly contributed by the higher sales of motorcycles business and a gain of RM12.6 million from the disposal of a land.

13. Prospects

Motorcycle demand has improved and is expected to remain robust for the upcoming quarters in this financial year. The Group continue to manage production optimization for a better mix and cost to sustain the performance.

Barring any unforeseen circumstances, the Board expects the Group to achieve a satisfactory result for the financial year ending 2025.

14. Profit forecast/profit guaranteed

This note is not applicable.

15. Profit before taxation

	Current Year Quarter 30/09/2024 RM'000	Current Year- To-Date 30/09/2024 RM'000
Profit before taxation is arrived at after (charging)/crediting: -		
Gross dividend income from other investments	791	791
Depreciation and amortisation	(15,928)	(15,928)
Reversal of impairment loss on trade receivables	500	500
Reversal of provision for slow moving inventories	698	698
Gain on foreign exchange	855	855
Gain on disposal of property, plant and equipment	12,675	12,675

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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
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
Current taxation				
Malaysian - current year	52,195	36,484	52,195	36,484
	52,195	36,484	52,195	36,484
Deferred taxation				
Malaysian - prior years	-	(2,830)	-	(2,830)
	-	(2,830)	-	(2,830)
	52,195	33,654	52,195	33,654

The Group's effective tax rate for the quarter under review and financial year-to-date is slightly lower than statutory tax rate mainly due to the gain on disposal of a land which was subjected to real property gain tax instead of corporate tax.

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 borrowing and debt securities as at 30 September 2024 is as follows: -

	RM'000
Borrowings:	
Unsecured long-term borrowings	10,821

There were no borrowing denominated in foreign currencies as of 30 September 2024

19. **Changes in Material Litigation**

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

20. **Dividend**

- (a) The Board has declared an interim single tier dividend of 25.0 sen per share for the quarter ended 30 September 2024 of the financial year ending 30 June 2025 (1st quarter FY2024 : an interim single tier dividend of 20.0 sen per share) to be paid on 24 December 2024 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 10 December 2024.

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 10 December 2024 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.

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- (b) For the financial year-to-date, a total single tier dividend of 25.0 sen per share (1st quarter FY2024: single tier dividend of 20.0 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 and financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM140,560,000 (1st quarter FY2024: RM87,670,000) by the weighted average number of ordinary shares during the quarter of 314,708,000 (1st quarter FY2024: 314,625,000).

	<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	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	'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	(4,765)	(4,848)	(4,765)	(4,848)
	314,708	314,625	314,708	314,625
Effect of ESS Trust Shares vested	-	-	-	-
Weighted average number of ordinary shares (basic)	314,708	314,625	314,708	314,625

- (c) Diluted earnings per ordinary share

The Group's diluted earnings per ordinary share for the quarter under review, financial year-to-date and preceding year's corresponding quarter/period approximates its basic earnings per ordinary share.

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22. 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 2024, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Contract amount	Fair Value Assets
	RM'000	/ (Liabilities)
		RM'000
Less than 1 year	589,590	(39,194)

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.

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 2024.

23. 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

Wong Wei Fong
Zoe Lim Hoon Hwa
Company Secretaries

Kuala Lumpur
25 November 2024

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