

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statements of Comprehensive Income For The Financial Year Ended 31 December 2015 - Unaudited

	Note	Individual Period		Cumulative Period	
		3 months ended		12 months ended	
		31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
<b>Revenue</b>	9	28,190	42,492	120,113	136,399
Cost of sales		(20,592)	(30,721)	(88,929)	(101,606)
<b>Gross profit</b>		7,598	11,771	31,184	34,793
Other items of income:					
– Interest income		1,059	788	4,027	2,955
– Other income		201	684	2,572	909
Operating expenses		(4,161)	(3,033)	(12,883)	(11,986)
<b>Operating profit</b>		4,697	10,210	24,900	26,671
Finance costs		(19)	(14)	(64)	(45)
<b>Profit before taxation</b>	9 & 19	4,678	10,196	24,836	26,626
Taxation	20	(1,783)	(2,574)	(7,615)	(6,892)
<b>Profit for the period</b>		2,895	7,622	17,221	19,734
<b>Other comprehensive profit, net of tax</b>					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		(1,678)	1,514	4,165	1,044
<b>Total comprehensive income for the period</b>		1,217	9,136	21,386	20,778

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statements of Comprehensive Income For The Financial Year Ended 31 December 2015 - Unaudited (Continued)

	Individual Period		Cumulative Period		
	3 months ended		12 months ended		
Note	31.12.2015	31.12.2014	31.12.2015	31.12.2014	
	RM'000	RM'000	RM'000	RM'000	
<b>Profit attributable to:</b>					
Owners of the Company	2,937	7,742	17,232	19,718	
Non-controlling interests	(42)	(120)	(11)	16	
<b>Profit for the period</b>					
	2,895	7,622	17,221	19,734	
<b>Total comprehensive profit attributable to:</b>					
Owners of the Company	1,259	9,256	21,397	20,762	
Non-controlling interests	(42)	(120)	(11)	16	
<b>Total comprehensive income for the period</b>					
	1,217	9,136	21,386	20,778	
<b>Earnings per share attributable to owners of the Company:</b>					
- Basic	25	1.06	2.80	6.23	7.13
- Diluted	25	N/A	N/A	N/A	N/A

### Notes:

“N/A” – Not applicable

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement of Financial Position As at 31 December 2015 - Unaudited

	Note	<u>Unaudited</u> As at 31.12.2015 RM'000	<u>Audited</u> As at 31.12.2014 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	68,969	74,941
Investment properties		23,641	23,704
Other investments		195	189
Goodwill		4,932	4,932
		<hr/>	<hr/>
		97,737	103,766
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		11,906	15,528
Property development costs		69,005	65,041
Trade and other receivables		46,672	57,200
Prepaid expenses		867	1,567
Tax recoverable		34	59
Deposits with licensed banks		85,776	90,646
Cash and bank balances		45,706	17,525
		<hr/>	<hr/>
		259,966	247,566
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>	9	<u>357,703</u>	<u>351,332</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		139,357	139,357
Share premium		1,281	1,281
Treasury shares		(947)	(947)
Capital reserve		308	308
Currency translation reserve		5,993	1,828
Retained profits		163,024	149,941
		<hr/>	<hr/>
		309,016	291,768
<b>Non-controlling interests</b>		<hr/>	<hr/>
		1,634	1,645
		<hr/>	<hr/>
<b>Total equity</b>		<u>310,650</u>	<u>293,413</u>
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# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement of Financial Position As at 31 December 2015 - Unaudited (Continued)

	Note	<u>Unaudited</u> As at 31.12.2015 RM'000	<u>Audited</u> As at 31.12.2014 RM'000
<b>Non-current liabilities</b>			
Finance lease liabilities	22	1,120	905
Deferred tax liabilities		22,455	22,938
		<hr/>	<hr/>
		23,575	23,843
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables		21,745	32,071
Finance lease liabilities	22	461	308
Provision for taxation		1,272	1,697
Dividends payable		-	-
		<hr/>	<hr/>
		23,478	34,076
		<hr/>	<hr/>
<b>Total liabilities</b>		47,053	57,919
		<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>		357,703	351,332
		<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per share</b>			
<b>attributable to owners of the Company (RM)</b>		1.12	1.05
		<hr/> <hr/>	<hr/> <hr/>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement Of Changes In Equity For The Financial Year Ended 31 December 2015 - Unaudited

Note	Attributable to shareholders of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Capital reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
<b>At 1 January 2015</b>	139,357	1,281	(947)	308	1,828	149,941	291,768	1,645	293,413
Total comprehensive income for the year	-	-	-	-	4,165	17,232	21,397	(11)	21,386
<u>Transactions with owners:</u>									
Dividends on ordinary shares	-	-	-	-	-	(4,149)	(4,149)	-	(4,149)
<b>At 31 December 2015</b>	139,357	1,281	(947)	308	5,993	163,024	309,016	1,634	310,650

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement Of Changes In Equity For The Financial Year Ended 31 December 2015 - Unaudited (Continued)

Note	Attributable to shareholders of the Company						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Capital reserve RM'000	Currency translation reserve RM'000	Retained profits RM'000			
<b>At 1 January 2014</b>	139,357	1,281	(947)	308	784	134,372	275,155	1,630	276,785
Total comprehensive (loss)/income for the year	-	-	-	-	1,044	19,718	20,762	16	20,778
<u>Transactions with owners:</u>									
Dividends on ordinary shares	-	-	-	-	-	(4,149)	(4,149)	-	(4,149)
<b>At 31 December 2014</b>	139,357	1,281	(947)	308	1,828	149,941	291,768	1,646	293,414

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement of Cash Flows For The Financial Year Ended 31 December 2015 - Unaudited

	Cumulative Period	
	12 months ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	24,836	26,626
Adjustments for non-cash items	5,539	5,869
Operating profit before working capital changes	30,375	32,495
Working capital changes		
Inventories	3,622	(3,257)
Property development costs	(3,964)	(2,374)
Receivables, deposits and prepayments	11,228	(16,478)
Payables and accruals	(10,326)	10,382
Cash generated from operations	30,935	20,768
Interest paid	(64)	(45)
Interest received	4,027	2,955
Income tax paid	(8,529)	(6,517)
Income tax recovered	31	2,722
<b>Net cash from operating activities</b>	<b>26,400</b>	<b>19,883</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,536)	(3,374)
Proceeds from disposal of property, plant and equipment	117	-
Purchase of other investments	(6)	(5)
<b>Net cash used in investing activities</b>	<b>(1,425)</b>	<b>(3,379)</b>

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement of Cash Flows For The Financial Year Ended 31 December 2015 - Unaudited (Continued)

	Cumulative Period	
	12 months ended 31.12.2015 RM'000	31.12.2014 RM'000
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(368)	(216)
Dividends paid on ordinary shares	(4,149)	(4,149)
<b>Net cash used in financing activities</b>	<b>(4,517)</b>	<b>(4,365)</b>
<b>Net increase in cash and cash equivalents</b>	<b>20,458</b>	<b>12,139</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>108,171</b>	<b>94,492</b>
<b>Effects of foreign exchange rate changes</b>	<b>2,853</b>	<b>1,540</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>131,482</b>	<b>108,171</b>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	85,776	90,646
Cash and bank balances	45,706	17,525
	<b>131,482</b>	<b>108,171</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



# **HIL INDUSTRIES BERHAD**

(Company No: 8812-M)

## **Notes To The Unaudited Condensed Consolidated Interim Financial Statements**

In compliance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

Hil Industries Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 February 2016.

### **1. Basis of Preparation**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board (“MASB”). These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2014.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)

In compliance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

### 2. Significant Accounting Policies and Application of MFRS 1

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2014, except for the adoption of Amendments to Standards and Issue Committee (IC) interpretations effective as of 1 January 2015.

#### 2.1 Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2015.

Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010 - 2012 Cycle	
Annual Improvements to MFRSs 2011 - 2013 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

#### 2.2 Standard issued but not yet effective

At the date of authorisation of the condensed consolidated interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group:

##### **Effective for financial periods beginning on or after 1 January 2016**

MFRS 14	Regulatory Deferral Accounts
Amendments for MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments for MFRS 10 and MFRS 12	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Venture
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture - Bearer Plants
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012 - 2014 Cycle	

# **HIL INDUSTRIES BERHAD**

(Company No: 8812-M)

## **Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)**

In compliance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting

### **2. Significant Accounting Policies and Application of MFRS 1 (Continued)**

#### 2.2 Standard issued but not yet effective (Continued)

##### **Effective for financial periods beginning on or after 1 January 2018**

MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014
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The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, other than for MFRS 9 Financial Instruments. The Group will assess the financial implications of MFRS 9 Financial Instruments when full standard is issued.

### **3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2014 was not qualified.

# **HIL INDUSTRIES BERHAD**

(Company No: 8812-M)

## **Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)**

In compliance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

### **4. Comments about Seasonal or Cyclical Factors**

The business operations of the Group are not materially affected by any seasonal or cyclical factors during the quarter under review.

### **5. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period-to-date.

### **6. Changes in Estimates**

There were no changes in estimates that have had material effect in the current quarter and financial period-to-date results.

### **7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period-to-date.

### **8. Dividends Paid**

During the Company's 45th Annual General Meeting held on 25 June 2015, the shareholders of the Company had approved the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2014 of 3% or 1.5 sen per ordinary share of 0.50 sen each, amounting to RM4,149,257. The dividend was paid on 18 August 2015.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)

In compliance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

### 9. Operating Segments

Segment information is presented in respect of the Group’s business segments.

	<b>Cumulative Period</b>	
	<b>12 months ended</b>	
	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM’000</b>	<b>RM’000</b>
<b>Segment Revenue</b>		
Revenue from:		
Manufacturing	84,509	107,636
Property development and management	35,992	29,150
	<hr/>	<hr/>
Total revenue including inter-segment revenue	120,501	136,786
Elimination of inter-segment revenue	(388)	(387)
	<hr/>	<hr/>
Revenue from external customers	120,113	136,399
	<hr/> <hr/>	<hr/> <hr/>
<b>Segment Results (External)</b>		
Results from:		
Manufacturing	8,227	13,081
Property development and management	16,614	13,546
Trading, services and others	(5)	(1)
	<hr/>	<hr/>
Profit before tax	24,836	26,626
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# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)

In compliance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

### 9. Operating Segments (Continued)

	Cumulative Period	
	12 months ended	
	31.12.2015	31.12.2014
	RM'000	RM'000
<b>Segment Assets</b>		
Segment assets of:		
Manufacturing	206,917	212,212
Property development and management	145,805	134,116
Trading, services and others	15	13
	<hr/>	<hr/>
	352,737	346,341
Unallocated assets	4,966	4,981
	<hr/>	<hr/>
Total consolidated assets	357,703	351,322
	<hr/>	<hr/>

### 10. Property, Plant and Equipment

#### *Acquisitions and disposals*

During the financial year ended 31 December 2015, the Group acquired items of property, plant and equipment with a cost of RM2,272,000 (financial year ended 31 December 2014: RM3,844,000). Items of property, plant and equipment with a net book value of RM38,000 were disposed of during the financial year ended 31 December 2015 (financial year ended 31 December 2014: RM Nil), resulting in a gain on disposal of RM79,000 (financial year ended 31 December 2014: loss on disposal of RM Nil).

#### *Valuation*

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

# **HIL INDUSTRIES BERHAD**

(Company No: 8812-M)

## **Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)**

In compliance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting

### **11. Subsequent Events**

There were no material events subsequent to the end of the financial period-to-date.

### **12. Changes in Composition of the Group**

There were no changes in the composition of the Group in the current financial period-to-date.

### **13. Changes in Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2014.

### **14. Capital Commitments**

There were no capital commitments as at 31 December 2015.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)

In compliance with Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

### 15. Performance Review

Due to the weak global sentiment whereby Malaysia was also not spared, 2015 was indeed a challenging year.

The revenue and profit before tax recorded by the Group for the financial period-to-date was RM120.113 million and RM24.836 million respectively.

This represented a decrease of RM16.286 million in revenue or 11.94% of the revenue for the same period in the previous financial year ended 31 December 2014. For the cumulative twelve months ended 31 December 2015, the decrease in the results for the financial period-to-date was RM1.790 million or 6.72% of the results for the same period in the previous financial year ended 31 December 2014. The decrease in revenue was mainly attributed to reduced demand for our overseas subsidiary's products and to a lesser extent our domestic products also, caused by the weak economic condition. As for the decrease in results, better efficiency and other cost saving activities has helped softened the impact from the drop in revenue.

The performance of the respective operating segments for the financial period-to-date as compared to the corresponding financial period-to-date in the preceding financial year is analysed as follows:

#### a) Manufacturing segment

The manufacturing segment registered a decrease in revenue and results for the current financial period-to-date of 21.49% and 37.11% respectively as compared to the revenue and results in the corresponding financial period-to-date in the preceding financial year. This was due to certain models for some of our customers in Malaysia and China which reached their end of life, whilst their replacement models had not started yet. The overall reduced consumer sentiment for the local automotive industry also affected our sales for this period.

#### b) Property development and management segment

The property development and management segment registered an increase in revenue and results for the current financial period-to-date of 23.47% and 22.65% respectively as compared to the revenue and results in the corresponding financial period-to-date in the preceding financial year. The increase was due to higher revenue recognition from the on-going projects.

#### c) Trading, services and others segment

This segment is not active.



## **HIL INDUSTRIES BERHAD**

(Company No: 8812-M)

### **Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)**

In compliance with Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

#### **16. Variation of Results Against Preceding Quarter**

The revenue and profit before tax for the current quarter were RM28.190 million and RM4.678 million respectively compared to revenue of RM31.717 million and profit before tax of RM8.038 million for the immediate preceding quarter ended 30 September 2015. For the manufacturing sector, the drop in revenue was mainly due to certain models for some of our customers in Malaysia and China which reached their end of life, whilst their replacement models had not started yet. The reduced consumer sentiment also affected our local automotive sales.

#### **17. Current Year Prospects**

The drop in the consumer sentiment index to a new low of 63.8 points in 4Q of 2015 (Source: Malaysian Institute of Economic Research) has adversely impacted all sectors of economy.

The manufacturing division performance would be dependent on orders from existing customers and the expected gradual recovery of the global economy. The group will continue its commitment to streamline its manufacturing process to achieve cost optimization for greater efficiency. As for our China operations, we are in the midst of securing several new contracts which are expected to contribute positively to our earnings in the very near future.

As for the property division, the reduced consumer sentiment and stringent lending policies are expected to impact the performance of the property division. Despite these challenges, the management is confident that the property division will contribute satisfactory to the group's performance as we are developing landed houses that are within the affordable range in the Shah Alam area. New projects are expected to be launched in 2016, which we believe will do well.

#### **18. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)

In compliance with Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

### 19. Profit before taxation

	<u>Current Quarter</u> 3 months ended 31.12.2015 RM'000	<u>Year-To- Date</u> 12 months ended 31.12.2015 RM'000
Profit before taxation is arrived at after charging:		
Depreciation of property, plant and equipment and investment properties	2,394	9,582
Interest expense	19	64
Net foreign exchange gain:		
– Realised	(111)	(822)
– Unrealised	285	(2,227)
	<hr/> <hr/>	<hr/> <hr/>

### 20. Taxation

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
In respect of current financial year:				
– Malaysian income tax	1,936	2,644	8,187	7,188
– Deferred tax	(67)	(70)	(481)	(327)
	1,869	2,574	7,706	6,861
In respect of prior financial years:				
– Malaysian income tax	(86)	-	(89)	4
– Foreign tax	-	-	-	-
– Deferred tax	-	-	(2)	27
	(86)	-	(91)	31
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	1,783	2,574	7,615	6,892
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The effective tax rate for the current quarter and the financial period-to-date was higher than the statutory tax rate principally due to the losses of certain subsidiary companies which cannot be set off against the taxable profits made by other subsidiary companies, and certain expenses which are not deductible for tax purposes.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)

In compliance with Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

### 21. Status of Corporate Proposals

There were no corporate proposals announced.

### 22. Borrowings

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
<b>Non-current</b>		
– Secured	1,120	905
<b>Current</b>		
– Secured	461	308
	<hr/> 1,581	<hr/> 1,213
	<hr/> <hr/>	<hr/> <hr/>

### 23. Material Litigation

As at the reporting date, there was no material litigation against the Group.

### 24. Dividend

The Board of Directors has proposed a first and final single tier dividend of 3% or 1.5 sen per ordinary share of RM0.50 each, in respect of the financial year ended 31 December 2015, which is subject to shareholders' approval at the forthcoming Annual General Meeting. The entitlement and payment date have yet to be fixed and will be announced later.

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Notes To The Unaudited Condensed Consolidated Interim Financial Statements (Continued)

In compliance with Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

### 25. Earnings Per Share

#### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual Period		Cumulative Period	
	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit for the period attributable to owners of the Company (RM'000)	2,937	7,742	17,232	19,718
Weighted average number of ordinary shares in issue ('000)	276,617	276,617	276,617	276,617
Basic earnings per share (sen)	1.06	2.80	6.23	7.13

#### (b) Diluted earnings per share

Diluted earnings per share is not disclosed as it is not applicable.

### 26. Breakdown of retained profits into realised and unrealised profits or losses

The breakdown of the retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, is as follows:

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Realised and unrealised profits of the Company and its subsidiaries:		
- Realised	199,964	188,875
- Unrealised	(5,065)	(7,098)
	194,899	181,777
Less: Consolidation adjustments	(31,875)	(31,836)
Total retained profits	163,024	149,941