

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statements of Comprehensive Income For The Financial Year Ended 31 March 2017 - Unaudited

	Note	Individual Period		Cumulative Period	
		3 months ended		3 months ended	
		31.3.2017 RM'000	30.3.2016 RM'000	31.3.2017 RM'000	30.3.2016 RM'000
<b>Revenue</b>	9	20,919	22,321	20,919	22,321
Cost of sales		(16,195)	(15,516)	(16,195)	(15,516)
<b>Gross profit</b>		4,724	6,805	4,724	6,805
Other items of income:					
– Interest income		1,543	936	1,543	936
– Other income		(223)	(1,370)	(223)	(1,370)
Operating expenses		(2,794)	(2,816)	(2,794)	(2,816)
<b>Operating profit</b>		3,250	3,555	3,250	3,555
Finance costs		(13)	(18)	(13)	(18)
<b>Profit before taxation</b>	9 & 19	3,237	3,537	3,237	3,537
Taxation	20	(1,226)	(1,380)	(1,226)	(1,380)
<b>Profit for the period</b>		2,011	2,157	2,011	2,157
<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		(106)	(1,996)	(106)	(1,996)
<b>Total comprehensive income for the period</b>		1,905	161	1,905	161

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statements of Comprehensive Income For The Financial Year Ended 31 March 2017 - Unaudited (Continued)

		Individual Period		Cumulative Period	
	Note	3 months ended		3 months ended	
		31.3.2017	30.3.2016	31.3.2017	30.3.2016
		RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to:</b>					
Owners of the Company		2,037	2,146	2,037	2,146
Non-controlling interests		(26)	11	(26)	11
<b>Profit for the period</b>					
		2,011	2,157	2,011	2,157
<b>Total comprehensive profit attributable to:</b>					
Owners of the Company		1,931	150	1,931	150
Non-controlling interests		(26)	11	(26)	11
<b>Total comprehensive income for the period</b>					
		1,905	161	1,905	161
<b>Earnings per share attributable to owners of the Company:</b>					
- Basic	25	0.74	0.78	0.74	0.78
- 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 2016 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 March 2017 - Unaudited

	Note	<u>Unaudited</u> As at 31.3.2017 RM'000	<u>Audited</u> As at 31.12.2016 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	58,219	60,261
Investment properties		23,562	23,578
Other investments		203	202
Goodwill		4,932	4,932
		<hr/>	<hr/>
		86,916	88,973
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		15,365	14,800
Property development costs		69,248	70,564
Trade and other receivables		29,972	30,544
Accrued billings		3,024	7,906
Prepaid expenses		804	1,111
Tax recoverable		30	30
Deposits with licensed banks		138,286	137,709
Cash and bank balances		23,997	14,829
		<hr/>	<hr/>
		280,726	277,493
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>	9	367,642	366,466
		<hr/> <hr/>	<hr/> <hr/>
<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		5,100	5,206
Retained profits		177,581	175,544
		<hr/>	<hr/>
		322,680	320,749
<b>Non-controlling interests</b>		882	908
		<hr/>	<hr/>
<b>Total equity</b>		323,562	321,657
		<hr/>	<hr/>

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement of Financial Position As at 31 March 2017 - Unaudited (Continued)

	Note	<u>Unaudited</u> As at 31.3.2017 RM'000	<u>Audited</u> As at 31.12.2016 RM'000
<b>Non-current liabilities</b>			
Finance lease liabilities	22	631	713
Deferred tax liabilities		21,028	21,288
		<hr/>	<hr/>
		21,659	22,001
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables		19,735	21,114
Finance lease liabilities	22	1,207	407
Provision for taxation		1,479	1,287
		<hr/>	<hr/>
		22,421	22,808
		<hr/>	<hr/>
<b>Total liabilities</b>		44,080	44,809
		<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>		367,642	366,466
		<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per share</b>			
<b>attributable to owners of the Company (RM)</b>		1.17	1.16
		<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 2016 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 March 2017 - 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 2017</b>	139,357	1,281	(947)	308	5,206	175,544	320,749	908	321,657
Total comprehensive (loss)/income for the period	-	-	-	-	(106)	2,037	1,931	(26)	1,905
<b>At 31 March 2017</b>	139,357	1,281	(947)	308	5,100	177,581	322,680	882	323,562

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement Of Changes In Equity For The Financial Year Ended 31 March 2017 - 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 2016</b>	139,357	1,281	(947)	308	5,993	162,991	308,983	1,634	310,617
Total comprehensive income for the period	-	-	-	-	(1,996)	2,146	150	11	161
<b>At 31 March 2016</b>	139,357	1,281	(947)	308	3,997	165,137	309,133	1,645	310,778

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 March 2017 - Unaudited

	Cumulative Period	
	3 months ended	
	31.3.2017 RM'000	30.3.2016 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	3,237	3,537
Adjustments for non-cash items	620	1,476
Operating profit before working capital changes	3,857	5,013
Working capital changes		
Inventories	(565)	24
Property development costs	1,316	(2,644)
Receivables, deposits and prepayments	5,761	14,509
Payables and accruals	(1,379)	1,435
Cash generated from operations	8,990	18,337
Interest paid	(13)	(18)
Interest received	1,543	936
Income tax paid	(1,356)	(1,481)
Income tax recovered	62	-
<b>Net cash from operating activities</b>	<b>9,226</b>	<b>17,774</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(122)	(794)
Proceeds from disposal of property, plant and equipment	1	-
Purchase of other investments	(1)	(2)
<b>Net cash used in investing activities</b>	<b>(122)</b>	<b>(796)</b>

# HIL INDUSTRIES BERHAD

(Company No: 8812-M)

## Condensed Consolidated Statement of Cash Flows For The Financial Year Ended 31 March 2017 - Unaudited (Continued)

	Cumulative Period	
	3 months ended 31.3.2017 RM'000	30.3.2016 RM'000
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(112)	(113)
<b>Net cash used in financing activities</b>	(112)	(113)
<b>Net increase in cash and cash equivalents</b>	8,992	16,865
<b>Cash and cash equivalents at beginning of the financial period</b>	152,538	131,482
<b>Effects of foreign exchange rate changes</b>	(77)	(1,381)
<b>Cash and cash equivalents at end of the financial period</b>	161,453	146,966
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	138,286	81,312
Cash and bank balances	23,997	65,976
Bank overdrafts	(830)	(322)
	161,453	146,966

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 25 May 2017.

### 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 2016. 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 2016.

### 2. Significant Accounting Policies

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 2016, except for the adoption of Amendments to Standards and Issue Committee (IC) interpretations effective as of 1 January 2017.

#### 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 2017.

Amendments to MFRS 12	Disclosure of Interest in Other Entities (Annual Improvements 2014-2016 Cycle)
Amendments to MFRS 107	Statement of Cash Flows - Disclosure initiative
Amendments to MFRS 112	Income taxes - Recognition of Deferred Tax Asset for Unrealised Losses

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

# 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 (Continued)

#### 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 2018**

MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2016 Cycle)
Amendments to MFRS 2	Share-based payments - Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 128	Investment in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)
Amendments to MFRS 140	Investment Properties - Transfers of Investment Property

#### **Effective for financial periods beginning on or after 1 January 2019**

MFRS 16	Leases
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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 and MFRS 16 Leases. The Group will assess the financial implications of MFRS 9 and MFRS 16 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 2016 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**

No dividend was paid by the Company during the financial period ended 31 March 2017.

# 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.

	Cumulative Period	
	3 months ended	
	31.3.2017	30.3.2016
	RM’000	RM’000
<b>Segment Revenue</b>		
Revenue from:		
Manufacturing	15,194	14,261
Property development and management	5,821	8,157
Total revenue including inter-segment revenue	21,015	22,418
Elimination of inter-segment revenue	(97)	(97)
Revenue from external customers	20,918	22,321
<b>Segment Results (External)</b>		
Results from:		
Manufacturing	(117)	(1,867)
Property development and management	3,355	5,404
Trading, services and others	(1)	-
Profit before tax	3,237	3,537

# 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	
	3 months ended	
	31.3.2017 RM'000	30.3.2016 RM'000
<b>Segment Assets</b>		
Segment assets of:		
Manufacturing	205,215	195,375
Property development and management	157,451	158,829
Trading, services and others	14	14
	<hr/>	<hr/>
	362,680	354,218
Unallocated assets	4,962	4,967
	<hr/>	<hr/>
Total consolidated assets	367,642	359,185
	<hr/> <hr/>	<hr/> <hr/>

### 10. Property, Plant and Equipment

#### *Acquisitions and disposals*

During the three months ended 31 March 2017, the Group acquired items of property, plant and equipment with a cost of RM122,000 (three months ended 31 March 2016: RM794,000). Items of property, plant and equipment with a net book value of RM1,000 were disposed during the three months ended 31 March 2017 (three months ended 31 March 2016: RM Nil), resulting in a gain on disposal of RM Nil (three months ended 31 March 2016: gain 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 2016.

### **14. Capital Commitments**

There were no capital commitments as at 31 March 2017 except as disclose in Note 21.

# 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

The revenue and profit before tax recorded by the Group for the financial period-to-date was RM20.919 million and RM3.237 million respectively.

This represented a decrease of RM1.402 million in revenue or 6.28% of the revenue for the same period in the previous financial year ended 31 December 2016. The decrease in revenue was mainly due to lower revenue recognition from our property division subsequent to the completion of our two projects at Bukit Kemuning, namely Kemuning Greenhills and Kemuning Hijauan in 2016.

For the cumulative three months ended 31 March 2017, the decrease in the results for the financial period-to-date was RM0.300 million or 8.48% of the results for the same period in the previous financial year ended 31 December 2016. The decrease was mainly from the corresponding drop in revenue as explained above.

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 an increase in revenue and results for the current financial period-to-date of 6.54% and 93.73% respectively as compared to the revenue and results in the corresponding financial period-to-date in the preceding financial year. The increase in revenue was mainly due to the increase in demand from local automotive industry for this quarter. The reduction in foreign currency loss has also brought improvement to our results.

#### b) Property development and management segment

The property development and management segment registered a decrease in revenue and results for the current financial period-to-date of 28.64% and 37.92% as compared to the results in the corresponding financial period-to-date in the preceding financial year. The decrease in revenue and results are mainly due to the lower revenue recognition subsequent to the completion of our two projects as mentioned above. Currently, the revenue for this segment is mainly contributed from on-going project, namely Quadz @ Kemuning Greenhills in Bukit Kemuning.

#### 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 RM20.919 million and RM3.237 million respectively compared to revenue of RM27.452 million and profit before tax of RM7.924 million for the immediate preceding quarter ended 31 December 2016. The lower revenue and results in the first quarter was mainly due to lower TIV as compared to the preceding quarter compounded by the short working period in this quarter due to Chinese New Year festival holidays.

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

The manufacturing division performance would be dependent on orders from existing customers and the expected gradual recovery of the global economy. Nevertheless, the group will persevere in its business initiatives to secure more projects, continuously looking for new business opportunities and to streamline its manufacturing process to achieve cost optimization through greater efficiency.

As for the property division, revenue will be mainly from on-going project, namely Quadz @ Kemuning Greenhills in Bukit Kemuning. We plan to launch Kemuning Hijauan III in the final quarter of 2017, which is the final phase of our sold out double-storey terraced houses in Bukit Kemuning. Beside, the group has recently entered into two conditional share sale agreements for acquiring companies with land which is ready for development. The management is confident that the property division will contribute satisfactorily to the group's performance as we are developing properties that are within the affordable range in the Shah Alam area.

### **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</u> <u>Quarter</u> <u>3 months</u> <u>ended</u> <u>31.3.2017</u> <u>RM'000</u>	<u>Year-To-</u> <u>Date</u> <u>3 months</u> <u>ended</u> <u>31.3.2017</u> <u>RM'000</u>
Profit before taxation is arrived at after charging:		
Depreciation of property, plant and equipment and investment properties	2,150	2,150
Interest expense	13	13
Interest income	(1,543)	(1,543)
Net foreign exchange gain:		
– Realised	(116)	(116)
– Unrealised	280	280

Other than the above items, there were no other income including investment income, provision for and write off of receivables and inventories, gain or loss on disposal of quoted and unquoted investment or properties, impairment of assets, gain or loss on derivatives and other exceptional items.

### 20. Taxation

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	<u>31.3.2017</u>	<u>30.3.2016</u>	<u>31.3.2017</u>	<u>30.3.2016</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
In respect of current financial year:				
– Malaysian income tax	1,486	1,893	1,486	1,893
– Deferred tax	(260)	(513)	(260)	(513)
	1,226	1,380	1,226	1,380

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

**Proposed acquisition by AMJ Construction Sdn. Bhd. ("AMJC"), a wholly-owned subsidiary of Hil Industries Berhad ("HIL") through Satu Tunas Sdn. Bhd. and Hil Properties Sdn. Bhd., of 99% equity interest in A&M Concrete Products Sdn. Bhd. ("A&M Concrete") from Steven Junior Ng Kwee Leng and Malcolm Jeremy Ng Kwee Seng for a total purchase consideration of RM22,000,000; and**

**Proposed acquisition by AMJC of the entire equity interest in Show Piece Sdn. Bhd. ("Show Piece"), which in turn holds 100% equity interest in Innocentral Sdn. Bhd., from Tan Sri Dato' Ng Boon Thong @ Ng Thian Hock and Dato' Milton Norman Ng Kwee Leong for a purchase consideration of RM49,000,000.**

**(Collectively referred to as the "Proposed Acquisitions")**

The Company had on 16 January 2017 announced that AMJC, a wholly-owned subsidiary of HIL through Satu Tunas Sdn. Bhd. and Hil Properties Sdn. Bhd., had on 16 January 2017, entered into the following agreements:

- (a) a conditional share sale agreement between AMJC and Steven Junior Ng Kwee Leng and Malcolm Jeremy Ng Kwee Seng (collectively, "A&M Concrete Vendor") for the Proposed Acquisitions of A&M Concrete ("A&M Concrete SSA") and;
- (b) a conditional share sale agreement between AMJC and Tan Sri Dato' Ng Boon Thong @ Ng Thian Hock and Dato' Milton Norman Ng Kwee Leong (collectively, "Show Piece Vendors") for the Proposed Acquisition of Show Piece ("Show Piece SSA")

Please refer to the Company's announcement dated 16 January 2017 for further details on the individual owners and the said companies being the subject matter of the Proposed Acquisitions.

Pursuant to Paragraph 9.33(1)(a) of the Listing Requirements, the Company is required to submit the draft circular in relation to the Proposed Acquisitions to Bursa Securities no later than two (2) months from the date of the announcement. The Company had then on 13 March 2017 announced that an application has been submitted to Bursa Securities to seek for an extension of time to 16 September 2017 to submit the draft circular. Subsequently on 20 March 2017, the Company announced that Bursa Securities had, on 16 March 2017, resolved to grant the Company an extension of time until 16 September 2017 to submit the draft circular to Bursa Securities.

## 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

#### 22. Borrowings

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
<b>Non-current</b>		
– Secured	631	713
<b>Current</b>		
– Secured	377	407
– Unsecured	830	-
	<hr/> 1,838	<hr/> 1,120
	<hr/> <hr/>	<hr/> <hr/>

#### 23. Material Litigation

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

#### 24. Dividend

No dividend has been declared for the financial period ended 31 March 2017.

# 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 31.3.2017	30.3.2016	3 months ended 31.3.2017	30.3.2016
Profit for the period attributable to owners of the Company (RM'000)	2,037	2,146	2,037	2,146
Weighted average number of ordinary shares in issue ('000)	276,617	276,617	276,617	276,617
Basic earnings per share (sen)	0.74	0.78	0.74	0.78

#### (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 31.3.2017 RM'000	As at 31.12.2016 RM'000
Realised and unrealised profits of the Company and its subsidiaries:		
- Realised	205,384	202,089
- Unrealised	(6,145)	(4,862)
	199,239	197,227
Less: Consolidation adjustments	(21,658)	(21,683)
Total retained profits	177,581	175,544