

# HIL Industries posts higher 1Q21 net profit

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HIL Industries Bhd president/CEO Datuk Milton Ng said the strong financial performance for the quarter was due to the strong demand for automotive parts and components from several companies.

KUALA LUMPUR: [HIL Industries Bhd](#)'s net profit for the first quarter ended March 31, 2021 (1Q21) jumped 48.35% to RM6.78mil from RM4.57mil a year ago boosted by stronger performance by its engineering plastics products division.

It announced on Thursday its revenue increased to RM34.68mil from RM31.98mil. Earnings per share improved to 1.87 sen from 1.24 sen previously. It declared a dividend of 1.50 sen a share.

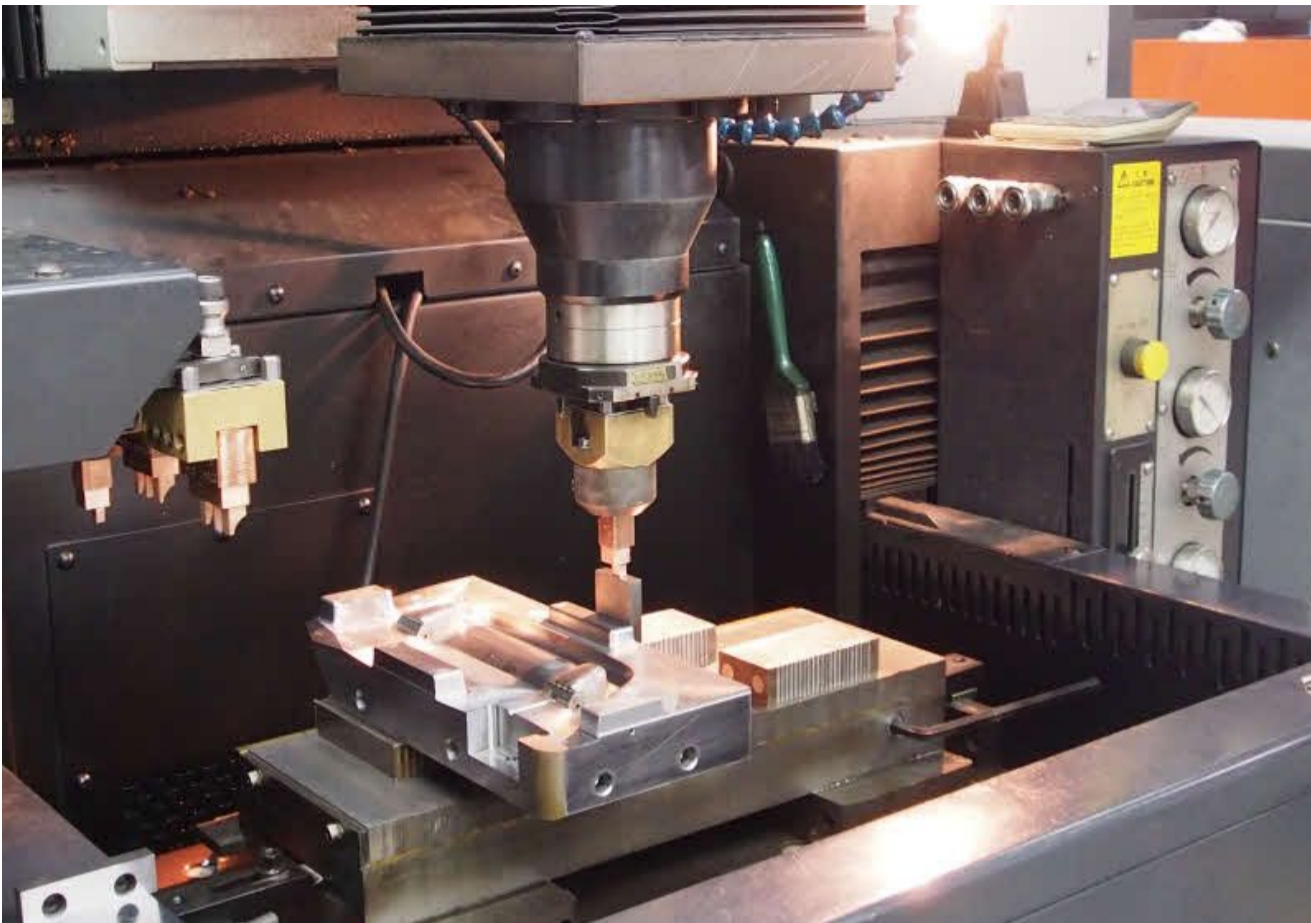
HIL Industries said the manufacturing division is involved in plastic injection moulding which produces plastic original equipment manufacturer (OEM) parts mainly for automotive and IT-related products. Its customers include Perusahaan Otomobil Kedua Sdn Bhd (Perodua), Proton Holdings Bhd, Toyota Motor Corp, Honda Motor Co Ltd and others.

As for the property development and management division, the better financial performance under the segment in 1QFY2021 was mainly due to the higher profit recognition subsequent to the completion of Amverton Greens.

As at March 31, 2021, HIL Industries' net cash position stood at RM101mil, backed by net assets of RM1.12 per share. It had no bank borrowings.

Its managing director Datuk Milton Ng said the strong financial performance for the quarter was due to the strong demand for automotive parts and components from several companies as the economic recovery picked up pace despite the travel curbs due to the Covid-19 pandemic.

"Our manufacturing division reported higher revenue and profits due to the launch of several new models during the financial period and also increased sales enjoyed by our customers due to the extension of the waiver of sales tax under the Penjana plan," he added.



Ng said HIL Industries will continue to focus on managing cost and investment, increasing productivity and efficiency, optimising manpower and other resources, and eventually boosting its market share and competitive advantage.

HIL Industries' manufacturing division performance would depend on orders from existing customers and the gradual recovery of the global economy as well as the performance of its overseas subsidiary.

"The company has also secured several new models and additional new parts and components from several automotive companies and as such this will augur well for the division's future performance. The Penang branch operation is also starting to pick up its sales," he said.

The company, he said, has several new projects for the automotive segment which will have a strong positive impact on its sales if there is no full-scale lockdown and the chip supply chain is back to normal.

"Overall, the manufacturing division is expected to perform better this year", he added.

As for the property development and management division, revenue will be mainly from the Amverton Links as well as its completed project, 108 terrace houses in Bukit Kemuning and Amverton Greens.

HIL Industries is slated to launch Amverton Links Phase 2 in the second quarter of 2021 and Amverton Links townhouse in the third quarter of 2021.

Its landed properties are selling very well especially those in the Klang Valley priced between RM500,000 and RM800,000 each.

HIL Industries had recently entered into four joint ventures with landowners to undertake property development projects.

The joint ventures are subject to shareholders' approval in an upcoming shareholders' meeting.

HIL Industries expects the projects to increase the revenue and profit contribution from the property development segment as well as the overall financial performance of the company.

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