

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

## Condensed Consolidated Statements of Comprehensive Income For The Financial Period Ended 31 December 2025 - Unaudited

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	62,521	49,114	219,022	219,898
Cost of sales	(43,492)	(31,353)	(152,298)	(145,490)
<b>Gross profit</b>	19,029	17,761	66,724	74,408
Other items of income:				
– Interest income	408	636	1,866	3,415
– Other income	891	(74)	1,244	829
Operating expenses	(201)	(5,558)	(19,375)	(20,663)
<b>Operating profit</b>	20,127	12,765	50,459	57,989
Finance costs	(13)	(7)	(24)	(7)
<b>Profit before taxation</b>	20,114	12,758	50,435	57,982
Taxation	(7,190)	(3,246)	(16,496)	(14,938)
<b>Profit after taxation</b>	12,924	9,512	33,939	43,044
<b>Profit for the period</b>	12,924	9,512	33,939	43,044
<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	(303)	778	(897)	(1,003)
<b>Total comprehensive income for the period</b>	12,621	10,290	33,042	42,041

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

## Condensed Consolidated Statements of Comprehensive Income For The Financial Period Ended 31 December 2025 - Unaudited (Continued)

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit attributable to:</b>				
Owners of the Company	12,188	9,118	32,342	41,325
Non-controlling interests	736	394	1,597	1,719
<b>Profit for the period</b>	<b>12,924</b>	<b>9,512</b>	<b>33,939</b>	<b>43,044</b>
<b>Total comprehensive profit attributable to:</b>				
Owners of the Company	11,885	9,896	31,445	40,322
Non-controlling interests	736	394	1,597	1,719
<b>Total comprehensive income for the period</b>	<b>12,621</b>	<b>10,290</b>	<b>33,042</b>	<b>42,041</b>
<b>Earnings per share attributable to owners of the Company (sen):</b>				
- Basic	3.67	2.75	9.74	12.45
- Diluted	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 2024 and the accompanying explanatory notes attached to the interim financial statements.

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

## Condensed Consolidated Statement of Financial Position As at 31 December 2025 - Unaudited

	Note	<u>Unaudited</u> As at 31.12.2025 RM'000	<u>Audited</u> As at 31.12.2024 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	64,089	65,406
Right-of-use assets		2,882	3,252
Investment properties		27,298	23,073
Investment in Associates Company		3,234	-
Goodwill		3,301	3,301
Deposits with licensed banks		-	1,318
		<hr/>	<hr/>
		100,804	96,350
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		374,393	308,509
Trade and other receivables		52,940	26,521
Contract assets		13,804	35,854
Contract cost assets		59	1,156
Tax recoverable		12,658	11,142
Investments		9,320	15,591
Deposits with licensed banks		21,351	28,976
Cash and bank balances		73,505	80,642
		<hr/>	<hr/>
		558,030	508,391
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>	9	<u>658,834</u>	<u>604,741</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		167,019	167,019
Treasury shares		(947)	(947)
Capital reserve		308	308
Currency translation reserve		3,625	4,522
Retained profits		327,923	305,539
		<hr/>	<hr/>
		497,928	476,441
<b>Non-controlling interests</b>		<hr/>	<hr/>
		6,033	4,436
		<hr/>	<hr/>
<b>Total equity</b>		<u>503,961</u>	<u>480,877</u>
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## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

### Condensed Consolidated Statement of Financial Position As at 31 December 2025 - Unaudited (Continued)

	Note	<u>Unaudited</u> As at 31.12.2025 RM'000	<u>Audited</u> As at 31.12.2024 RM'000
<b>Non-current liabilities</b>			
Finance lease liabilities	21	367	514
Borrowings		12,486	-
Deferred tax liabilities		20,402	22,187
		<hr/>	<hr/>
		33,255	22,701
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables		116,678	100,841
Finance lease liabilities	21	147	141
Borrowings		4,193	-
Provision for taxation		600	181
		<hr/>	<hr/>
		121,618	101,163
		<hr/>	<hr/>
<b>Total liabilities</b>		154,873	123,864
		<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>		658,834	604,741
		<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per share</b> attributable to owners of the Company (RM)		1.50	1.43
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The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

### Condensed Consolidated Statement Of Changes In Equity For The Financial Period Ended 31 December 2025 - 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 2025</b>	167,019	-	(947)	308	4,522	305,539	476,441	4,436	480,877
Total comprehensive income/(loss) for the year	-	-	-	-	(897)	32,342	31,445	1,597	33,042
<u>Transactions with owners:</u>									
Dividends on ordinary shares	-	-	-	-	-	(9,958)	(9,958)	-	(9,958)
<b>At 31 December 2025</b>	167,019	-	(947)	308	3,625	327,923	497,928	6,033	503,961

## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

### Condensed Consolidated Statement Of Changes In Equity For The Financial Period Ended 31 December 2025 - 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>Audited</b>									
<b>At 1 January 2024</b>	167,019	-	(947)	308	5,525	274,183	446,088	2,506	448,594
Total comprehensive income/(loss) for the year	-	-	-	-	(1,003)	41,325	40,322	1,719	42,041
<u>Transactions with owners:</u>									
Changes in composition of the Group	-	-	-	-	-	(11)	(11)	11	-
Increase in equity interest in subsidiary	-	-	-	-	-	-	-	200	200
Dividends on ordinary shares	-	-	-	-	-	(9,958)	(9,958)	-	(9,958)
<b>At 31 December 2024</b>	167,019	-	(947)	308	4,522	305,539	476,441	4,436	480,877

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

## Condensed Consolidated Statement of Cash Flows For The Financial Period Ended 31 December 2025 - Unaudited

	Cumulative Period	
	12 months ended	
	31.12.2025	31.12.2024
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	50,435	57,982
Adjustments for non-cash items	2,134	2,718
Operating profit before working capital changes	52,569	60,700
Working capital changes		
Inventories	(70,216)	(77,990)
Receivables, deposits and prepayments	(2,347)	6,402
Payables and accruals	15,836	16,279
Cash (used in)/generated from operations	(4,158)	5,391
Interest paid	(24)	(2)
Interest received	1,866	3,424
Income tax paid	(19,888)	(17,299)
Income tax recovered	2,322	-
<b>Net cash used in operating activities</b>	<b>(19,882)</b>	<b>(8,486)</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment	(5,091)	(5,371)
Proceeds from disposal of property, plant and equipment	60	434
Acquisition of additional shares in subsidiaries by non-controlling interest	-	(8,990)
Purchase of investments	(45,428)	(45,865)
Purchase of investments in associates	(3,234)	-
Proceeds from redemption of investments	51,876	38,553
<b>Net cash used in investing activities</b>	<b>(1,817)</b>	<b>(21,239)</b>

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (8812-M))

## Condensed Consolidated Statement of Cash Flows For The Financial Period Ended 31 December 2025 - Unaudited (Continued)

	Cumulative Period	
	12 months ended	
	31.12.2025 RM'000	31.12.2024 RM'000
<b>Cash flows used in financing activities</b>		
Repayment of finance lease liabilities	(141)	(52)
Redemption of fixed deposits under lien	1,318	(39)
Proceeds from borrowings	27,155	-
Repayment of borrowings	(10,540)	-
Payment of dividends	(9,958)	(9,958)
<b>Net cash from/(used in) financing activities</b>	<b>7,834</b>	<b>(10,049)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(13,865)</b>	<b>(39,774)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>109,618</b>	<b>150,351</b>
<b>Effects of foreign exchange rate changes</b>	<b>(897)</b>	<b>(958)</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>94,856</b>	<b>109,619</b>
<b>Cash and cash equivalents comprise:</b>		
Deposits with licensed banks	21,351	28,976
Cash and bank balances	73,505	80,643
	<b>94,856</b>	<b>109,619</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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 26.02.2026.

### 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”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2024. 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 2024.

### 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 2025, except in current financial year, the Group and the Company adopted all the new and revised standards which are effective for financial periods beginning on or after 1 January 2025, as disclosed below:

#### MFRS, Amendments to MFRS and Issues Committee (“IC”) Interpretation

##### (i) Adoption of new and revised MFRS

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year, except as follows:

Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 16	Lease Liabilities in a sales and Leaseback
Amendments to MFRS 107	Supplier Finance Arrangements
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

Annual improvement to MFRSs 2018-2020 Cycle

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

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. The Group and the Company are in the process of assessing the financial effect of these pronouncements upon their initial application.

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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)

#### (ii) Standards 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 2026

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 107	Statement of Cash Flows

Amendments to MFRS 9, "Financial Instruments" and MFRS 7, "Financial Instruments: Disclosures" (Classification and Measurement of Financial Instruments)

Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures" (Contracts Referencing Nature-dependent Electricity)

#### Effective for financial periods beginning on or after 1 January 2027

Amendments to MFRS 18	Presentation and Disclosure in Financial Statements
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures

#### Effective date deferred

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements Investment in Associated and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associates or Joint Venture)
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### 3. Auditors' Report on Proceeding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2024 was not qualified.

## **HIL INDUSTRIES BERHAD**

(Company No: 196901000472 (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**

A single-tier final dividend of 3.00 sen per ordinary share in respect of the financial year ended 31 December 2024, amounting to RM9,958,224.36, was declared on 08 April 2025 and paid on 03 July 2025.

No dividend has been declared in respect of the financial period ended 31 December 2025.

## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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	
	12 months ended	
	31.12.2025 RM’000	31.12.2024 RM’000
<b>Segment Revenue</b>		
Revenue from:		
Manufacturing	178,462	153,366
Property development and management	40,384	66,523
Trading, services and others	1,742	1,363
Total revenue including inter-segment revenue	220,588	221,252
Elimination of inter-segment revenue	(1,566)	(1,354)
Revenue from external customers	219,022	219,898
<b>Segment Results (External)</b>		
Results from:		
Manufacturing	43,462	38,082
Property development and management	5,084	16,547
Trading, services and others	47	(55)
Interest income	48,593	54,574
Finance costs	1,866	3,415
	(24)	(7)
Profit before tax	50,435	57,982
Taxation	(16,496)	(14,938)
Profit after tax	33,939	43,044

## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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	
	31.12.2025 RM'000	31.12.2024 RM'000
<b>Segment Assets</b>		
Segment assets of:		
Manufacturing	117,166	134,717
Property development and management	524,825	454,618
Trading, services and others	884	964
	<hr/>	<hr/>
Unallocated assets	642,875	590,299
	15,959	14,443
	<hr/>	<hr/>
Total consolidated assets	658,834	604,742
	<hr/> <hr/>	<hr/> <hr/>

The Group's revenue for the twelve months ended 31 December 2025 based on geographical location is presented as follows:

	Cumulative Period	
	12 months ended	
	31.12.2025 RM'000	31.12.2024 RM'000
Location:		
Hong Kong	12	-
Malaysia	218,953	219,824
Thailand	57	74
	<hr/>	<hr/>
Total revenue	219,022	219,898
	<hr/> <hr/>	<hr/> <hr/>

## **HIL INDUSTRIES BERHAD**

(Company No: 196901000472 (8812-M))

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

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

#### **10. Property, Plant and Equipment**

##### *Acquisitions and disposals*

During the twelve months ended 31 December 2025, the Group acquired items of property, plant and equipment with a cost of RM5,091,000 (twelve months ended 31 December 2024: RM5,871,000). Items of property, plant and equipment with a net book value of RM8,000 were disposed during the twelve months ended 31 December 2025 (twelve months ended 31 December 2024: RM239,000), resulting in a gain on disposal of RM52,000 (twelve months ended 31 December 2024: loss on disposal of RM35,000).

##### *Valuation*

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

#### **11. Subsequent Events**

There were no material events subsequent to the end of the financial year-to-date except for those disclosed in Note 19.

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

There were no changes in the composition of the Group in the current financial year-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 2024.

#### **14. Capital Commitments**

The amount of commitments in the interim financial report as at 31 December 2025 is as follows:

	<b>RM'000</b>
Authorised by the Directors but not contracted for	914

# HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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 moderate but subdued global economic sentiment, which also affected Malaysia, 2025 proved to be a challenging year.

The revenue and profit before tax recorded by the Group for the financial period-to-date was RM219.022 million and RM50.435 million respectively.

This represented a decrease of RM0.876 million in revenue or 0.40% of the revenue for the same period in the previous financial year ended 31 December 2024.

For the cumulative twelve months ended 31 December 2025, the decrease in the results for the financial period-to-date was RM7.547 million or 13.02% of the results for the same period in the previous financial year ended 31 December 2024.

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 overall manufacturing segment registered an increase in revenue of RM25.096 million or 16.36% and an increase in results of RM5.380 million or 14.13%, for the current financial period-to-date as compared to revenue and results in the corresponding financial period-to-date in the preceding financial year. The revenue growth was mainly attributable to higher sales volume, the completion of tooling activities, and the commencement of two new project launches from the Group's main customer.

According to the Malaysian Automotive Association (MAA), Total Industry Volume (TIV) reached a record-high of 820,752 units in 2025, surpassing its earlier forecast of 780,000 units. The stronger-than-expected performance was supported by robust year-end sales.

#### b) Property development and management segment

The property development and management segment registered a decrease in revenue of RM26.139 million or 39.29% and a decrease in results of RM11.463 million or 69.28% for the current financial period-to-date as compared to the revenue and results in the corresponding financial period-to-date in the preceding financial year due to the completion of the 154-units project at Bukit Amverton in Sungai Buloh. Following the project's completion, performance weakened, and in the absence of new project launches during the year, earnings contribution was not replenished, resulting in a significant decline in the segment's results.

The further decrease in results was impacted by the imposition of additional tax assessments amounting to RM2.544 million by the Inland Revenue Board (IRB) which negatively impacted our net income.

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

The trading, services and other segment registered an increased in revenue of RM0.379 million or 27.81% and an increase in results of RM0.102 million or 185.45% for the current financial period-to-date as compared to the corresponding financial period-to-date in the preceding financial year. The revenue growth was primarily driven by a favourable product mix, particularly higher sales of prescribed drugs and supplements, which carry stronger margins.

## **HIL INDUSTRIES BERHAD**

(Company No: 196901000472 (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 RM62.521 million and RM20.114 million respectively compared to revenue of RM63.461 million and profit before tax of RM9.110 million for the immediate preceding quarter ended 30 September 2025. The marginal decrease in revenue was primarily attributable to slower sales from the property division. Nevertheless, improved operational performance in the manufacturing sector contributed positively to profitability, resulting in a significant increase in profit before tax for the quarter under review.

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

The Group expects its manufacturing division to maintain satisfactory performance, underpinned by sustained demand for its products, the scheduled launch of new projects by its principal customer by the second quarter of 2026. Pursuant to its commitment to operational excellence, the Group has invested in new machinery and further enhanced automation across its production lines to improve productivity and operational efficiency. Ongoing training and development initiatives continue to strengthen the Group's human capital, ensuring readiness to adapt to technological advancements and evolving production requirements. In addition, the Group is progressively upgrading its production systems through the integration of advanced manufacturing technologies, including artificial intelligence (AI), to enhance process efficiency and optimise costs. These initiatives are expected to strengthen the Group's competitive position and support sustainable long-term growth. The Group will continue to pursue opportunities to diversify and expand its customer base, while deepening engagement with existing customers to enhance revenue resilience and growth visibility. Nevertheless, the Group remains cautious of prevailing market uncertainties, including fluctuations in raw material prices, foreign exchange volatility, supply chain disruptions, and regulatory changes that may affect its operating environment. The Group will continue to monitor these developments closely and implement appropriate risk mitigation measures.

The Group expects its property division to record stronger performance in the coming periods, supported by upcoming project launches and strategic collaborations. The planned launch of the Group's property development projects in Carey Island represents a significant step in expanding its property portfolio and strengthening its presence in the market. On 4 August 2025, Amverton Prop Sdn. Bhd., a subsidiary of the Group, entered into a strategic joint venture with Perbadanan Kemajuan Negeri Selangor (PKNS Group) to undertake a high-impact urban development project. This collaboration marks an important milestone in the Group's property development journey and is anticipated to contribute positively to its long-term growth prospects. The Group remains committed to expanding its property development activities, particularly within the Klang Valley region, with a focus on delivering affordable housing products to meet prevailing market demand. In line with this strategy, the Group will continue to actively explore opportunities to acquire additional landbank within the Klang Valley to support the sustainable growth of this business segment. In addition, the Group plans to launch Amverton Vista and a joint venture development with Pembinaan Kesentosaan Sdn Bhd (PKSB), which are expected to drive higher sales volume and enhance revenue contribution in the next financial year. Notwithstanding the above, the performance of the property division remains subject to prevailing market conditions, including property market sentiment, financing availability, regulatory changes, construction cost fluctuations and overall economic conditions. The Group will continue to monitor these factors closely and adopt prudent measures to manage associated risks.

Barring any unforeseen circumstances, including uncertainties in global trade following the recently announced United States tariffs that have impacted economies worldwide, as well as the ongoing geopolitical conflicts in Ukraine and the Middle East which may contribute to a broader global economic slowdown, the Group remains cautiously optimistic regarding its prospects. Notwithstanding the challenges arising from the recent implementation of the Sales and Service Tax (SST) and the increase in the statutory minimum wage, which may exert pressure on operating costs and consumer sentiment, the Group maintains a positive outlook. Supported by its ongoing operational improvements, strategic initiatives and diversified business activities, the Board is confident that the Group is well-positioned to deliver satisfactory performance for the financial year ending 2026.

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

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

## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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

	<b>Current Quarter</b>	<b>Year-To- Date</b>
	<b>3 months ended</b>	<b>12 months ended</b>
	<b>31.12.2025</b>	<b>31.12.2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment and investment properties	1,764	6,899
Loss/(Gain) on disposal of property, plant and equipment	-	(52)
Interest expense	(170)	24
Interest income	(408)	(1,866)
Net foreign exchange loss/(gain):		
– Realised - Loss/(Gain)	83	138
– Unrealised - Loss/(Gain)	(131)	(289)

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

## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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

#### 20. Taxation

	Individual Period		Cumulative Period	
	3 months ended		12 months ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RM'000	RM'000	RM'000	RM'000
In respect of current financial year:				
– Malaysian income tax	8,369	4,870	18,281	15,017
– Deferred tax	(1,179)	(1,624)	(1,785)	(79)
	7,190	3,246	16,496	14,938
	7,190	3,246	16,496	14,938

#### 21. Borrowings

	As at	As at
	31.12.2025	31.12.2024
	RM'000	RM'000
<b>Non-current</b>		
– Secured	12,853	514
<b>Current</b>		
– Secured	4,340	141
	17,193	655

The borrowings are all denominated in Ringgit Malaysia.

#### 22. Material Litigation

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

#### 23. Dividend

There was no dividend proposed or declared in respect of the current quarter under review.

## HIL INDUSTRIES BERHAD

(Company No: 196901000472 (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

#### 24. 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.

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>12 months ended</u>	
	<u>31.12.2025</u>	<u>31.12.2024</u>	<u>31.12.2025</u>	<u>31.12.2024</u>
Profit for the period attributable to owners of the Company (RM'000)	12,188	9,118	32,342	41,325
Weighted average number of ordinary shares in issue ('000)	331,941	331,941	331,941	331,941
Basic earnings per share (sen)	3.67	2.75	9.74	12.45

##### (b) Diluted earnings per share

Diluted earnings per share is not applicable for the financial period as the unexercised warrants issued during the current financial period is anti-dilutive in nature. This is due to the company's share price is below the exercise price.