

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 June 2019

The figures have not been audited

	Note	<u>2019</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2018</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2019</u> 6 MONTHS CUMULATIVE TO DATE RM'000	<u>2018</u> 6 MONTHS CUMULATIVE TO DATE RM'000
Revenue		69,691	69,736	145,091	146,881
Cost of sales		(45,791)	(44,629)	(94,717)	(93,453)
Gross profit		23,900	25,107	50,374	53,428
Other income		1,026	994	2,032	2,047
Administrative expenses		(5,002)	(5,100)	(9,997)	(10,444)
Selling and marketing expenses		(7,792)	(9,137)	(15,983)	(18,251)
Operating profit		12,132	11,864	26,426	26,780
Finance cost		(5)	-	(10)	-
Profit before tax	10	12,127	11,864	26,416	26,780
Income tax expense	23	(3,158)	(3,091)	(7,352)	(6,902)
Profit for the period		8,969	8,773	19,064	19,878
Total comprehensive income for the period, net of tax		8,969	8,773	19,064	19,878
Profit attributable to : Owners of the Parent		8,969	8,773	19,064	19,878
Total Comprehensive Income for the period, net of tax attributable to : Owners of the Parent		8,969	8,773	19,064	19,878
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	32(a)	1.12	1.10	2.38	2.48
-Diluted	32(b)	1.12	1.10	2.38	2.48

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Financial Position****As at 30 June 2019****The figures have not been audited**

	Note	As at 30/06/2019 RM'000	As at 31/12/2018 RM'000
<u>ASSETS:</u>			
Non-current assets:			
Property, plant and equipment		79,006	75,679
Right-of-use assets		465	-
Investment property		209	210
Deferred tax assets		95	72
Prepayments for acquisition of property, plant and equipment		-	3,025
<i>Sub total</i>		79,775	78,986
Current assets:			
Inventories		24,413	25,415
Trade and other receivables	11	30,679	35,167
Prepayments		6,237	576
Cash and cash equivalents	12	73,320	96,320
<i>Sub total</i>		134,649	157,478
TOTAL ASSETS		214,424	236,464
<u>EQUITY AND LIABILITIES:</u>			
Equity attributable to			
Owners of the Company :			
Share capital		80,000	80,000
Retained earnings		81,334	78,270
TOTAL EQUITY		161,334	158,270
Non-current liabilities :			
Lease liabilities		329	-
Deferred tax liabilities		5,927	5,912
<i>Sub total</i>		6,256	5,912
Current liabilities:			
Trade and other payables		39,394	49,319
Contract liabilities		1,429	2,513
Lease liabilities		136	-
Income tax payable		5,875	4,450
Dividends payable		-	16,000
<i>Sub total</i>		46,834	72,282
TOTAL LIABILITIES		53,090	78,194
TOTAL EQUITY AND LIABILITIES		214,424	236,464

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

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INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Changes in Equity****The figures have not been audited****For the period ended 30 June 2019**

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	
Opening balance at 1 January 2019	80,000	78,270	158,270
Total comprehensive income for the period	-	19,064	19,064
Transaction with the owners			
Dividends on ordinary shares	-	(16,000)	(16,000)
Total transaction with the owners	-	(16,000)	(16,000)
Closing balance at 30 June 2019	80,000	81,334	161,334

For the corresponding period ended 30 June 2018

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	
Opening balance at 1 January 2018	80,000	83,518	163,518
Effect of adopting MFRS 9	-	(207)	(207)
At 1 January 2018, as restated	80,000	83,311	163,311
Total comprehensive income for the period	-	19,878	19,878
Transaction with the owners			
Dividends on ordinary shares	-	(16,000)	(16,000)
Total transaction with the owners	-	(16,000)	(16,000)
Closing balance at 30 June 2018	80,000	87,189	167,189

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

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INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Cash Flows

For the period ended 30 June 2019

The figures have not been audited

	Note	2019 6 months ended 30/06/2019 RM'000	2018 6 months ended 30/06/2018 RM'000
Cash flows from operating activities:			
Profit before tax		26,416	26,780
Adjustments for:			
Allowance for doubtful debts		51	32
Bad debts written off		1	9
Depreciation of property, plant and equipment		2,822	2,797
Depreciation for right-of-use assets		151	-
Finance cost		10	-
Interest income		(1,363)	(1,482)
Inventories written off		32	28
Impairment losses on trade receivables recovered		(5)	(13)
Gain on disposal of property, plant and equipment		(177)	(46)
Property, plant and equipment written off		268	184
Reversal of impairment loss on property, plant and equipment		(137)	-
Total adjustments		1,653	1,509
Operating profit before changes in working capital		28,069	28,289
Changes in working capital			
Decrease/(increase) in inventories		970	(883)
Decrease in trade and other receivables		4,441	9,682
Increase in prepayments		(2,636)	(61)
Decrease in trade and other payables		(11,009)	(14,203)
Total changes in working capital		(8,234)	(5,465)
Cash flows from operations		19,835	22,824
Finance cost paid		(10)	-
Taxes paid		(5,935)	(5,726)
Net cash flows from operating activities		13,890	17,098
Cash flows from investing activities			
Withdrawal of deposits with more than 3 months with licensed bank		-	3,197
Interest income received		1,363	1,482
Proceeds from disposal of property, plant and equipment		208	132
Purchase of property, plant and equipment		(6,310)	(2,212)
Net cash (used in)/from investing activities		(4,739)	2,599
Cash flows from financing activities			
Payment for lease liabilities		(151)	-
Dividends paid on ordinary shares		(32,000)	(32,000)
Net cash used in financing activities		(32,151)	(32,000)
Net decrease in cash and cash equivalents		(23,000)	(12,303)
Cash and cash equivalents at beginning of financial year		87,320	90,829
Cash and cash equivalents at end of financial period	12	64,320	78,526

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD (226098-P)

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Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2019

1. Corporate information

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

2. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2019, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2018. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2018.

3. Significant accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2018, except for the adoption of the following which are applicable to the financial statements and are relevant to the operations:

(I) Adoption of standards and interpretations

Description	Effective for annual periods beginning <u>on or after</u>
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
MFRS 16 Leases	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019

The adoption of the above standards and interpretations do not have significant financial impact to the Group's consolidated financial statements for the current quarter, except as discussed below:

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MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of application of 1 January 2019. Under this method, comparative figures are not restated and the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings of the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low value assets').

The effect of the adoption of MFRS 16 Leases is as follows:

Group	Note	As at 1 January 2019 RM'000	Changes RM'000	As at 1 January 2019 RM'000
Non-current assets				
Right-of-use assets	(a)	-	616	616
Non-current liabilities				
Lease liabilities		-	329	329
Current liabilities				
Lease liabilities		-	287	287
Total lease liabilities	(b)		616	616

Note:

- a) The right-of-use assets representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

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- b) The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.
- c) There is no impact to the Group's retained earnings as at 1 January 2019.

(II) Standards and interpretations issued but not yet effective

At the date of authorisation of these interim financial statements, the following standards and interpretations were issued but not yet effective and have not been applied by the Group:

Description	Effective for annual periods beginning <u>on or after</u>
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Business Combinations - Definition of a Business	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

4. Comments about seasonal or cyclical factors

The Group's business operations are normally affected by seasonal factors occurring in certain periods of the financial year, such as Hari Raya Puasa, Chinese New Year, etc.

5. Unusual Items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the cumulative financial period ended 30 June 2019.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Capital management, debt and equity securities

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits

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for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders and issue new shares, where necessary. For capital management purposes, the Group considers shareholders' equity and total liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders. The gearing ratio as at 30 June 2019 and 31 December 2018, which are within the Group's objectives for capital management, are as follows:

	As at 30.06.2019 <u>RM'000</u>	As at 31.12.2018 <u>RM'000</u>
Total liabilities	53,090	78,194
Total equity	161,334	158,270
Total capital	80,000	80,000
Gearing ratio	33%	49%

The decrease in the gearing ratio is mainly due to the decrease in dividends payable, trade and other payables.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period to date.

8. Dividends

	Date of <u>payment</u>	Cumulative to date 30.06.2019 <u>RM'000</u>
Dividend paid on per ordinary share:		
- Third Interim dividend of 2 sen per share (single-tier) for 2018 declared on 4 March 2019	05.04.2019	<u>16,000</u>

9. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- I. The biscuit manufacturing segment is in the business of manufacture and sales of biscuits.
- II. The beverage manufacturing segment is in the business of manufacture and wholesale of coffee mix and all kinds of foodstuff.
- III. The trading division segment is in the business of sales and distribution of biscuits, confectionery and other foodstuff.

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Part A: Explanatory notes pursuant to MFRS 134

For the period ended 30 June 2019

Quarter ended 30.06.2019	Biscuit manufacturing division RM'000	Beverage manufacturing division RM'000	Trading division RM'000	Total RM'000
Revenue *	51,575	1,960	50,654	104,189
Profit for reportable segments	6,925	133	5,842	12,900
6 months cumulative to date				
Revenue *	106,312	4,025	108,185	218,522
Profit for reportable segments	14,274	275	13,288	27,837

Reconciliation of profit or loss

Profit or loss for the financial period ended 30.06.2019	Quarter ended RM'000	Cumulative to date RM'000
Total profit for reportable segments	12,900	27,837
Profit from inter-segment sales	(12)	(25)
Other income	201	410
Unallocated expenses	(962)	(1,806)
Profit before tax	12,127	26,416

* Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current quarter and 6 months cumulative to date are RM34,498,000 and RM73,431,000 respectively.

Trading division mainly comprises domestic sales. Biscuit remain the dominant range which represents about 94% of the total sales, while beverages and other agents' products make up the balance. The comments on Note 19 apply to the above three reportable operating segments.

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10. Profit before tax

Included in the profit before tax are the following items:

	Quarter ended		Cumulative to date	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(656)	(732)	(1,363)	(1,482)
Rental income	(6)	(5)	(11)	(10)
Reversal of impairment loss on property, plant and equipment	-	-	(137)	-
Impairment losses on trade receivable recovered (Note 11)	-	-	(5)	(13)
Allowance for doubtful debts (Note 11)	19	22	51	32
Bad debts written off	1	9	1	9
Depreciation of property, plant and equipment	1,425	1,402	2,822	2,797
Depreciation of right-of-use assets	76	-	151	-
Finance cost	5	-	10	-
Gain on disposal of property, plant and equipment	(177)	(49)	(177)	(46)
Inventories written off	20	18	32	28
Property, plant and equipment written off	86	87	268	184
Realised exchange losses	87	111	238	369

11. Trade and other receivables

	As at	
	30.06.2019	31.12.2018
	<u>RM'000</u>	<u>RM'000</u>
Trade receivables		
Third parties	30,349	34,702
Less: Allowance for doubtful debts	(339)	(326)
Trade receivables, net	<u>30,010</u>	<u>34,376</u>
Other receivables	669	791
Total trade and other receivables	<u><u>30,679</u></u>	<u><u>35,167</u></u>

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Trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	As at	
	30.06.2019	31.12.2018
	RM'000	RM'000
Neither past due nor impaired	21,148	24,471
1 to 30 days past due not impaired	7,357	8,557
31 to 60 days past due not impaired	1,172	1,094
61 to 90 days past due not impaired	236	128
91 to 120 days past due not impaired	42	65
More than 121 days past due not impaired	55	61
	8,862	9,905
Impaired	339	326
	<u>30,349</u>	<u>34,702</u>
<u>Receivables that are impaired</u>		
Movement in allowance accounts :		
At 1 January	326	252
Effect of adopting MFRS 9	-	272
As restated	<u>326</u>	<u>524</u>
Charge/(reversal) for the period/year (Note 10)	51	(67)
Written off	(33)	(99)
Impairment losses recovered (Note 10)	(5)	(32)
	<u>339</u>	<u>326</u>

12. Cash and bank balances

Cash and bank balances comprised the following amounts:

	As at	
	30.06.2019	31.12.2018
	RM'000	RM'000
Cash and bank balances	26,820	11,220
Short-term deposits with licensed banks	37,500	76,100
Cash and cash equivalents	<u>64,320</u>	<u>87,320</u>
Long-term deposits of more than 3 months with licensed banks	9,000	9,000
	<u>73,320</u>	<u>96,320</u>

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13. Foreign exchange exposure

The Group's exposures to foreign currency are as follows:

	As at	
	30.06.2019	31.12.2018
	<u>RM'000</u>	<u>RM'000</u>
Trade and other receivables		
United States Dollars	1,194	1,064
Singapore Dollars	2,604	2,115
Renminbi	-	9
	<u> </u>	<u> </u>

The Group does not engage in any formal hedging activities.

14. Events after the reporting period

There were no material events subsequent to the end of the current quarter.

15. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to date.

16. Changes in contingent liabilities and contingent assets

The Group has no contingent liabilities or contingent assets since the last annual date of the statement of financial position as at 31 December 2018.

17. Capital commitments

Approved capital commitments not recognised in the interim financial statements as at 30 June 2019 are as follows:

	RM'000
Contracted but not provided for:	
Purchase of a new production line	4,765
Purchase of plant and equipment	586
	<u> </u>
	<u>5,351</u>

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18. Related party transactions

	Current quarter ended 30.06.2019 <u>RM</u>	6 months cumulative to date 30.06.2019 <u>RM</u>
Rental of premises payable to: -Hup Seng Brothers Holdings Sdn. Bhd. #	31,350	62,700

Note: Certain directors of the Group are also directors and shareholders of Hup Seng Brothers Holdings Sdn. Bhd.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
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19. Performance review

Financial review for current quarter and financial year to date

	3 months		Changes		6 months		Changes	
	Quarter ended		Amount	%	cumulative to date		Amount	%
	30.06.2019	30.06.2018			30.06.2019	30.06.2018		
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Revenue	69,691	69,736	(45)	(0)	145,091	146,881	(1,790)	(1)
Operating profit	12,132	11,864	268	2	26,426	26,780	(354)	(1)
Profit before interest and tax	12,132	11,864	268	2	26,426	26,780	(354)	(1)
Finance cost	(5)	-	(5)	-	(10)	-	(10)	-
Profit before tax	12,127	11,864	263	2	26,416	26,780	(364)	(1)
Profit after tax	8,969	8,773	196	2	19,064	19,878	(814)	(4)
Profit attributable to: Owners of the Parent	8,969	8,773	196	2	19,064	19,878	(814)	(4)

The Group's revenue for the current quarter ended 30 June 2019 was flat at RM69,691,000 as compared to the quarter ended 30 June 2018 of RM69,736,000. Export market sales grew 4% or RM0.75 million compared to previous corresponding period mainly from Indonesia and Mauritius. On the other hand, domestic sales registered a drop of 2% or about RM0.8 million mainly as a result of seasonal factors.

The Group registered a profit before tax of RM12,127,000 as compared to a profit before tax of RM11,864,000 in the preceding corresponding quarter, an increase of about 2% mainly contributed from fuel replacement costs saving from liquefied petroleum gas to natural gas.

The Group's revenue for the six months ended 30 June 2019 has decreased by 1% to RM145,091,000 from RM146,881,000 as compared with the preceding year corresponding period. Domestic sales grew 1% or RM0.6 million compared to previous corresponding period mainly from wholesale channel and East Malaysia. On the other hand, export market saw a decline of about 6% or RM2.4 million mainly due to decrease in export of biscuits from Saudi Arabia and Thailand.

The profit before tax, on the other hand, has decreased to RM26,416,000 when compared with the preceding year corresponding period of RM26,780,000 a decrease of about 1% mainly due to poorer margin in certain segment.

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20. Comment of material change in profit before tax

Financial review for current quarter compared with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	30.06.2019 RM'000	31.03.2019 RM'000	Amount RM'000	%
Revenue	69,691	75,400	(5,709)	(8)
Operating profit	12,132	14,294	(2,162)	(15)
Profit before interest and tax	12,132	14,294	(2,162)	(15)
Finance cost	(5)	(5)	0	-
Profit before tax	12,127	14,289	(2,162)	(15)
Profit after tax	8,969	10,095	(1,126)	(11)
Profit attributable to: Owners of the Parent	8,969	10,095	(1,126)	(11)

The Group's revenue has decreased 8% to RM69,691,000 in the current quarter ended 30 June 2019 as compared to RM75,400,000 in the preceding quarter mainly due to slow offtakes in domestic market as a result of Hari Raya Puasa during the quarter, a reduction of 12% or RM6.7 million. Export market, on the other hand, increase by 6% or RM1 million mainly from Indonesia.

Profit before tax has decreased by about 15% to RM12,127,000 as compared to RM14,289,000 in the preceding quarter. Lower sales resulted drop in profit before tax.

21. Commentary of prospects

The uncertainty in the US monetary policies, the slowdown in China's economic growth and the ongoing trade tension between the US and China affected the global economy and pose downside risks to Malaysia's economy in the near term. Despite this, the Malaysian economy is expected to experience moderate growth in 2019 with private consumption being the main driver of growth. Domestic economy continues to be resilient, nevertheless, the Group will continue to maintain and improve product quality, innovating products portfolio, reducing costs and broadening the distributor network to safeguard revenue and address the needs of consumers.

22. Profit forecast or profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

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23. Income tax expense

	3 months		6 months	
	Quarter ended		cumulative to date	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	RM'000	RM'000	RM'000	RM'000
Current income tax :				
-Malaysia income tax	3,149	3,053	7,360	6,917
-Deferred taxation	9	38	(8)	(15)
	<u>3,158</u>	<u>3,091</u>	<u>7,352</u>	<u>6,902</u>

Major components of tax expenses

	Current	6 months
	Quarter ended	cumulative
	30.06.2019	to date
	RM'000	30.06.2019
	RM'000	RM'000
Current tax expense	3,149	7,360
Deferred tax expense	9	(8)
	<u>3,158</u>	<u>7,352</u>
Profit before taxation	12,127	26,416
Taxation at the Malaysian statutory tax rate of 24%	2,910	6,339
Adjustments:		
-Underprovision in prior years	-	530
-Non-deductible expenses	262	503
-Expenses with double deduction	(14)	(20)
Income tax expense	<u>3,158</u>	<u>7,352</u>
Effective tax rate	26.0%	27.8%

24. Sale of unquoted investments and properties

There were no sale of unquoted investments and properties for the current quarter and financial year to date.

25. Quoted securities

There were no purchase and sale of quoted securities for the current quarter and financial year to date.

26. Corporate proposals

There were no corporate proposals announced but not completed not earlier than seven (7) days from 21 August 2019.

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27. Borrowings and debt securities

There were no group borrowings and debt securities as at the end of the reporting period.

28. Derivative financial instruments

As at the reporting date of 30 June 2019, the Group has no outstanding derivative financial instruments.

29. Gains/losses arising from fair value changes of financial liabilities

There are no gains/losses arising from fair value changes of any financial liabilities.

30. Changes in material litigation

There were no material litigation not earlier than seven (7) days from 21 August 2019.

31. Dividend payable

Other than as disclosed in Note 8 above, the Board of Directors recommends the payment of an interim single-tier dividend of 2 sen per ordinary share in respect of the year ending 31 December 2019 for the financial quarter under review. The entitlement date will be announced in due course.

32. Earnings per share

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

	3 months quarter ended		6 months cumulative to date	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
(a) Basic				
Profit for the period (RM'000)	8,969	8,773	19,064	19,878
Weighted average number of ordinary share for earnings per share ('000)	800,000	800,000	800,000	800,000
Basic earnings per share (sen)	1.12	1.10	2.38	2.48
(b) Diluted				
Diluted earnings per share (sen)	1.12	1.10	2.38	2.48

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33. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2018 was not qualified.

34. Authorization for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 21 August 2019.