

**LII HEN INDUSTRIES BHD (Company No: 301361-U)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

ASSETS	Note	AS AT END OF CURRENT QUARTER 30/06/2018 RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2017 RM'000 AUDITED
<b>Non-current assets</b>			
Property, plant and equipment	10	154,674	151,946
Investment property		381	383
Prepaid lease payment		-	-
Long Term Investments		-	-
Goodwill on consolidation		-	-
Intangible Assets		495	506
Biological Assets		2,651	2,439
		<u>158,201</u>	<u>155,274</u>
<b>Current assets</b>			
Inventories		84,184	88,200
Trade receivables		58,882	61,423
Other receivables		23,309	24,181
Tax assets		2,691	1,447
Short term investment		-	-
Derivatives financial instruments at fair value	22	-	-
Fixed deposits with licensed banks		42,315	16,993
Cash and Bank Balances		51,212	75,220
		<u>262,592</u>	<u>267,464</u>
<b>TOTAL ASSETS</b>		<u>420,794</u>	<u>422,738</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent:</b>			
Share Capital		90,000	90,000
Reserves		200,899	198,773
		<u>290,899</u>	<u>288,773</u>
Non-controlling interest		(508)	(712)
<b>TOTAL EQUITY</b>		<u>290,391</u>	<u>288,061</u>
<b>Non-current liabilities</b>			
Borrowings	21	2,405	3,836
Deferred taxation		15,008	14,886
		<u>17,413</u>	<u>18,722</u>
<b>Current Liabilities</b>			
Payables		76,944	78,349
Derivatives financial instruments at fair value	22	386	-
Dividend payables	27	-	-
Short term borrowings	21	35,547	34,604
Provision for Taxation		113	3,002
		<u>112,990</u>	<u>115,955</u>
<b>TOTAL LIABILITIES</b>		<u>130,403</u>	<u>134,677</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>420,794</u>	<u>422,738</u>

( The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31st December 2017 and the accompanying explanatory notes attached to these audited financial statements )

**LII HEN INDUSTRIES BHD (Company No: 301361-U)**

The Board of Directors is pleased to announce the following:  
**UNAUDITED RESULTS OF THE GROUP FOR 2ND QUARTER ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.06.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2017 RM'000	CURRENT YEAR TO DATE 30.06.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2017 RM'000
<b>Revenue</b>	9	190,406	169,608	384,171	342,631
Cost of sales		(159,251)	(131,186)	(324,070)	(260,012)
<b>Gross Profit</b>		31,155	38,422	60,101	82,619
Other operating income/(expenses)	23	3,266	(1,639)	457	(1,678)
Operating expenses	24	(16,818)	(14,469)	(31,484)	(29,500)
<b>Profit from operations</b>		17,603	22,314	29,074	51,441
Finance costs		(371)	(268)	(700)	(466)
<b>Profit before taxation</b>		17,232	22,046	28,374	50,975
Taxation	20	(4,137)	(5,426)	(7,144)	(12,235)
<b>Profit for the period</b>		13,095	16,620	21,230	38,740
<b>Other comprehensive income for the period, net of tax item that will not be reclassified subsequently to profit and loss</b>					
Revaluation surplus of property, plant and equipment		-	-	-	-
<b>Total comprehensive income for the period</b>		13,095	16,620	21,230	38,740
<b>Profit attributable to :-</b>					
Owners of the Parent		12,891	16,620	21,026	38,740
Non-controlling Interest		204	-	204	-
		13,095	16,620	21,230	38,740
<b>Total comprehensive income attributable to :</b>					
Owners of the Parent		12,891	16,620	21,026	38,740
Non-controlling Interest		204	-	204	-
		13,095	16,620	21,230	38,740
<b>Earning per share attributable to owners of the Parent (sen)</b>					
Basic	28	7.16	9.23	11.68	21.52
Diluted					
		7.16	9.23	11.68	21.52

( The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31st December 2017 and the accompanying notes attached to these audited financial statements )

**LII HEN INDUSTRIES BHD (Company No: 301361-U)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

	-----Attributable to owners of the Parent -----			Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Non distributable Revaluation Reserve RM'000	Distributable Retained Profit RM'000			
Balance as at 1 January 2018	90,000	27,231	171,541	288,773	(712)	288,061
Total comprehensive income for the period			21,026	21,026	204	21,230
Dividend paid			(18,900)	(18,900)	-	(18,900)
Balance as at 30 June 2018	<u>90,000</u>	<u>27,231</u>	<u>173,667</u>	<u>290,899</u>	<u>(508)</u>	<u>290,391</u>
Balance as at 1 January 2017	90,000	29,042	144,982	264,024	(107)	264,131
Total comprehensive income for the period			38,740	38,740		38,740
Dividend paid			(25,200)	(25,200)	-	(25,200)
Balance as at 30 June 2017	<u>90,000</u>	<u>29,042</u>	<u>158,522</u>	<u>277,564</u>	<u>107</u>	<u>277,671</u>

**( The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these audited financial statements )**

**LII HEN INDUSTRIES BHD (Company No: 301361-U)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR SECOND QUATER ENDED 30 JUNE 2018**

	Unaudited Current Year To Date 30 June 18 RM'000	Unaudited Preceding Year Corresponding Period 30 June 17 RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before Taxation	28,374	50,975
Adjustments for :-		
Depreciation	4,238	3,736
Amortisation of intangible assets	9	9
Bad debts written off	33	-
Interest expenses	700	466
Interest income	(975)	(1,437)
Fixed assets written off	19	-
Inventories written off due to fire/down to net realisbale value	-	-
Biological asset written off	-	1,196
(Gain)/Loss on disposal of property, plant and equipment	(25)	(60)
Unrealised foreign exchange loss/(gain)	(406)	(127)
Net fair value loss/(gain) on financial instruments measured at fair value	386	131
	<u>32,353</u>	<u>54,889</u>
Operating profit before working capital changes		
(Increase) in inventories	4,016	(9,057)
(Increase) in receivables	3,786	(6,211)
(Decrease) in payables	(1,405)	4,446
	<u>38,750</u>	<u>44,067</u>
Cash (used in)/generated from operations		
Interest paid	(700)	(466)
Income tax refund	-	150
Tax paid	(11,153)	(10,011)
Realisation of derivative financial instruments	-	(2,650)
	<u>26,897</u>	<u>31,090</u>
Net cash (used in)/from operating activities		
<b>Cash Flow From Investing Activities</b>		
Purchase of property,plant and equipment	(7,017)	(7,018)
Purchase of subsidiary DPSB, net of cash acquired	-	-
Biological assets	(212)	(272)
Proceeds from issue of equity from non-controlling interest	-	-
Proceeds from disposal of property, plant and equipment	60	69
Interest income	975	1,437
	<u>(6,194)</u>	<u>(5,784)</u>
Net cash used in investing activities		
<b>Cash Flow From Financing Activities</b>		
Drawdown/(repayment) of Banker Acceptances	4,823	(986)
Repayment of term loans	(854)	(1,139)
Drawdown of Hire purchase	250	-
Dividend paid	(18,900)	(25,200)
	<u>(14,681)</u>	<u>(27,325)</u>
Net cash from/(used in) financing activities		
Net changes in Cash and Cash Equivalents	<u>6,022</u>	<u>(2,019)</u>
Cash and Cash Equivalents Brought Forward	84,749	124,983
Cash and Cash Equivalents Carried Forward	<u>90,771</u>	<u>122,964</u>
Cash and cash equivalents carried forward consists of :-		
Cash and bank balances	90,771	129,152
Bank overdraft	-	(6,188)
	<u>90,771</u>	<u>122,964</u>

( The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these audited financial statements )

## LII HEN INDUSTRIES BHD (301361-U)

### NOTES TO THE QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

#### 1. Basis of Preparation

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”)134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements 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 financial year ended 31 December 2017.

#### 2. Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the last audited financial statements for the financial year ended 31 December 2017, except for the newly issued Malaysian Accounting Standards Board approved accounting framework – Malaysian Financial Reporting Standards (“MFRS”), Amendments to standards and IC Interpretations (“IC Int.”) to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2018:

##### (a) Adoption of Standards

MFRS 9	Financial Instruments (IFRS 9 As Issued By IASB in July 2014)
MFRS 15	Revenue From Contracts With Customers
MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
Annual Improvements to MFRSs 2015-2017 Cycle	
IC Interpretation 22	Foreign Currency Transactions And Advance Consideration

##### MFRS 9 – Financial Instruments

The Group has applied forward looking impairment policy to calculate the expected credit losses on all trade receivables. For the purpose of assessing the new ECL impairment model, the Group had categorized the customers into segments of customers portfolio based on past repayment records, credit terms provided as well as assessing the economic factors of each individual market it operates in. Due to the strong creditworthiness of the Group’s debtors, the Group has determined that there shall not be any loss allowance required.

The adoption of MFRS 9 did not have any significant effects on the interim financial report upon their initial application.

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### MFRS 15 Revenue from Contracts with Customers

MFRS 15 provides a principles based approach for revenue recognition, and introduces the concept of recognizing revenue for performance obligations as they are satisfied. The core principle in MFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods and services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The adoption of MFRS 15 did not have any material impact on the financial statements of the Group as most of the revenue of the Group are already recognized in accordance with the principles of MFRS 15.

(b) Standards issued but not yet effective

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised losses
Amendments to MFRS 123	Borrowing Costs
IC interpretation 23	Uncertainty Over Income Tax Treatments

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

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

There was no qualification to the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

### 4. Seasonal or cyclical factors

The principal business operations of the Group has historically shown moderate seasonality, where production and sales of furniture are generally lower in the beginning of the calendar year due to the festive period as well as the summer holiday in the middle of the year.

### 5. Items of Unusual Nature

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the financial period ended 30 June 2018.

### 6. Material Changes in estimates

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

### 7. Changes in debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt or equity securities for the financial period ended 30 June 2018.

### 8. Dividend Paid

The dividends paid during the financial period were as follows:

Type of dividend	Dividend per share	For the year ended	Amount RM'000	Entitlement Date	Payment Date
Special single tier	8 sen	31.12.2017	14,400	13.03.2018	27.03.2018
First interim single tier	2.5 sen	31.12.2018	4,500	13.06.2018	29.06.2018

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### 9. Segmental Reporting

The Group has the following reportable segments as shown below:

2018	Furniture Manufacturing		Plantation		Other		Group	
	2nd Quarter RM'000	YTD RM'000	2nd Quarter RM'000	YTD RM'000	2nd Quarter RM'000	YTD RM'000	2nd Quarter RM'000	YTD RM'000
<b>Revenue</b>								
Total revenue	191,007	384,962	-	-	9,900	24,300	200,907	409,262
Inter-segment revenue	(601)	(791)	-	-	(9,900)	(24,300)	(10,501)	(25,091)
Revenue from external customers	190,406	384,171	-	-	-	-	190,406	384,171
Interest income	267	498	-	-	226	477	493	975
Finance costs	(371)	(700)	-	-	-	-	(371)	(700)
Net finance income	(104)	(202)	-	-	226	477	122	275
Depreciation of property, plant and equipment	2,110	4,193	22	45	-	-	2,132	4,238
Amortisation of intangible asset	-	-	5	9	-	-	5	9
Segment profit/(loss) before tax	17,270	28,280	(47)	(28)	9	121	17,232	28,373
Additions to non-current assets	4,418	7,017	105	212	-	-	4,523	7,229
Segment assets		392,991		4,673	-	23,131		420,795
Segment liabilities		130,253		142	-	10		130,405



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The Group has the following reportable segments as shown below:

2017	Furniture Manufacturing		Plantation		Other		Group	
	2nd Quarter RM'000	YTD RM'000	2nd Quarter RM'000	YTD RM'000	2 <sup>nd</sup> Quarter RM'000	YTD RM'000	2nd Quarter RM'000	YTD RM'000
<b>Revenue</b>								
Total revenue	169,991	343,365	-	-	7,200	32,400	177,191	375,765
Inter-segment revenue	(383)	(734)	-	-	(7,200)	(32,400)	(7,583)	(33,134)
Revenue from external customers	169,608	342,631	-	-	-	-	169,608	342,631
Interest income	486	1,096	-	-	194	341	680	1,437
Finance costs	(268)	(466)	-	-	-	-	(268)	(466)
Net finance costs	218	630	-	-	194	341	412	971
Depreciation of property, plant and equipment	1,875	3,683	26	53	-	-	1,901	3,736
Amortisation of intangible asset	-	-	4	9	-	-	4	9
Segment profit/(loss) before tax	23,327	52,285	(1,275)	(1,331)	(6)	21	22,046	50,975
Additions to non-current assets	4,749	7,017	182	273	-	-	4,931	7,290
Segment assets		367,500		3,693		31,454		402,647
Segment liabilities		124,801		163		12		124,976

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The analysis of the furniture manufacturing segment can be furthered analysed into geographical segment:

	Current Quarter		Year to Date	
	30 June		30 June	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Africa	778	577	1,382	1,119
America	140,785	119,499	289,468	253,005
Asia	33,754	25,670	63,872	44,720
Australia	602	111	1,933	620
Europe	413	54	754	371
Malaysia	14,074	23,697	26,762	42,796
	190,406	169,608	384,171	342,631

There are two (2) major customers with revenue equal or more than 10% of the Group's total revenue in the current quarter.

### 10. Valuation of property, plant and equipment

The properties which were revalued on 2014 have been brought forward from the previous financial statements and there were no valuations of properties, plant and equipment for period ended 30 June 2018.

### 11. Material events subsequent to the end of the period

There were no material events subsequent to 30 June 2018.

### 12. Changes in the composition of the Group

There were no changes in the composition of the Company for the period ended 30 June 2018.

### 13. Changes in contingent liabilities

As at the date of this report, the Group has contingent liabilities as follows:-

	RM'000
Counter indemnities to banks for bank guarantees issued	
- secured	10,229
- unsecured	-
Corporate guarantees for credit facilities granted to subsidiary companies ( unsecured )	93,378

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### 14. Capital Commitments

Capital commitment for property, plant and equipment not provided for in the financial statements as at 30 June 2018 was as follows:

	RM'000
Authorized by Directors and contracted	<u>5,670</u>

### 15. Significant Related Party Transactions

Subsidiaries	Transacting Parties	Relationship	Nature of Transactions	Current quarter ended 30.06.18	Cumulative Quarter ended 30.06.18
Favourite Design Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person.	Provide subcontract charges	RM487,183	RM873,995
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng has interest	Renting of building	RM62,910	RM125,820
Mayteck Kilang Kayu dan Perabut Sdn Bhd	T- Home Furniture Industry Sdn Bhd	A company in which Joey Tok Siew Tin has interest	Selling of furniture parts	RM127,629	RM237,349

## LII HEN INDUSTRIES BHD (301361-U)

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### ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

#### 16 Review of performance of the Group

Financial review for current quarter and financial year to date as tabled below: -

	Individual Period (2nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	30.06.18	30.06.17		30.06.18	30.06.17	
	RM'000	RM'000		RM'000	RM'000	
Revenue	190,406	169,608	12%	384,171	342,631	12%
Profit before tax	17,232	22,046	(22%)	28,374	50,975	(44%)
Profit after tax	13,095	16,620	(21%)	21,230	38,740	(45%)
Profit attributable to Ordinary Equity of the Parent	12,891	16,620	(22%)	21,026	38,740	(46%)

#### (a) Current Quarter vs Preceding Year Corresponding Quarter

For the current reporting quarter, the Group recorded a strong 27% increase in volume at USD 47 million as compared to USD 37 million of the preceding year corresponding quarter. The bedroom and sofa sets continued to grow at a steady pace for the United States market. However, the increase was partially offset by the continued strengthening of the Ringgit against the US Dollar by 9% compared to corresponding quarter of last year (2018: 3.94, 2017: 4.32) that resulted the overall growth in revenue of 12% in term of reporting currency.

Despite higher sales, the Group reported lower gross profit margin of 16% against 23% in the previous corresponding reporting period. This was mainly due to the strengthening of Ringgit and acceleration of operating costs especially on the additional overhead cost on the foreign workers levy.

#### (b) Current Year to Date vs Preceding Financial Year Corresponding Period

Likewise, for the first half of 2018, though the Group achieved growth in sales revenue of 29% from USD 73 million in 2017 to USD 94 million, due to the same factors as described above, the Group's profit before tax down 44% to RM28 million as compared to RM51 million of the same period of last year.

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### 17 Variation of Results Against Preceding Quarter

Description	2nd Qtr 2018 RM'000	1 <sup>st</sup> Qtr 2018 RM'000	Changes	
			RM'000	%
Revenue	190,406	193,764	(3,358)	(2%)
Profit before tax	17,232	11,141	6,091	55%
Profit after tax	13,095	8,134	4,961	61%
Profit attributable to Ordinary Equity Holders of the Parent	12,891	8,134	4,757	58%

Revenue in current period recorded a marginal decrease of 2% compared to the immediate preceding quarter. The USD conversion rates against RM for these two periods were relatively constant (2nd Qtr 2018 :3.94; 1<sup>st</sup> Qtr 2018: 3.92).

Regardless of the lower sales, profit before tax improved 55% as compared to the immediate preceding quarter mainly due to forex gain of RM2.5 million in current quarter against forex loss of RM3.55 million in 1<sup>st</sup> quarter 2018.

### 18. Current year prospects

With the robust growth in the US economy in the past few years culminating in a 4.1% growth in the second quarter of 2018, the Board of Directors of Lii Hen Industries Bhd (“ Board”) is generally positive of the US consumer sentiment. However, the recent US trade policy changes that resulted in escalating trade tariffs pose uncertainties on the global economic front.

While we still continue to receive strong orders from customers, the main challenge that the Group faces is at the local front where the acceleration of production costs and shortages of workforce will continue to affect the Group’s financial performance. In view of that, the management will continue to focus on the Group’s core products by diversifying its product range to strengthen the market position and expand the customer base and simultaneously continue to adopt an effective cost management. With better controllable cost structure and wider sales market base, the Board is cautiously optimistic that the Group will remain profitable for the current financial year.

### 19. Profit forecast

There was no profit forecast issued for the quarter under review.

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### 20. Taxation

Taxation charged for the quarter and year to date comprise of:

	Current Quarter RM'000	Year to Date RM'000
Current taxation		
- provision for the period	4,207	7,022
- over provision of prior years	-	-
- deferred taxation	(70)	122
	<u>4,137</u>	<u>7,144</u>

The higher effective tax rate was due to certain expenses incurred that were not deductible for tax purposes in certain subsidiary companies.

### 21. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2018 were as follows:

	2nd Quarter 2018 (RM'000)	2nd Quarter 2017 (RM'000)
<b>Short Term</b>		
Overdraft	-	6,188
Bankers' acceptance	32,751	21,862
Term loans	2,773	3,099
Hire purchase	23	-
Total	35,547	31,149
<b>Long Term</b>		
Term loans	2,178	3,870
Hire purchase	227	-
Total borrowings	37,952	35,019

The loans and bank borrowings are secured and denominated in Ringgit Malaysia. The weighted average floating interest rates ranged from 3.28% to 4.7%.

### 22. Financial Instruments - derivatives

As at 30 June 2018, the foreign currency contracts which have been entered into by the Group to hedge its foreign currency sales are as follows: -

Forward Foreign Currency Contracts	Contract Value(RM'000)	Fair Value(RM'000)	Changes in Fair Value(RM'000)
US Dollar – less than 1 year	34,376	34,762	386

Derivative financial assets and liabilities are initially recognised, and subsequently measured at fair value. The fair values of derivatives are determined based on market data (primarily exchange rate) to calculate the present value of all estimated flows associated with each derivative at the balance sheet date. The Group's derivatives are principally in respect of forward foreign currency contracts used to hedge its foreign currency sales.

Forward foreign currency contracts of the Group have been measured at fair value and the changes in the fair value are recognised in profit or loss.

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**23. Other Operating Income/(expenses)**

Other operating income/(expenses) comprises the followings:

	Current Quarter 30 June		Year to Date 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Foreign exchange gain/(loss)				
-realised	2,169	(2,706)	(1,074)	(3,487)
-unrealised	1,107	308	406	128
Gain/(loss) on disposal of property, plant & equipment	35	50	25	60
Interest income	493	680	975	1,437
Fair value gain/(loss) on derivative Financial instruments	(781)	(131)	(386)	(131)
Rental income	134	100	266	202
Sundry revenue	85	60	149	113
Insurance claim	24	-	96	-
	3,266	(1,639)	457	(1,678)

**24. Operating Expenses**

The operating expenses included the following charges:

	Current Quarter 30 June		Year to Date 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Depreciation & amortisation	2,137	1,905	4,247	3,745
Interest expenses	371	268	700	466
Property, plant & equipment written off	19	-	19	-
Biological assets written off	-	1,196	-	1,196

## LII HEN INDUSTRIES BHD (301361-U)

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### 25. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 30 June 2018.

### 26. Material Litigations

The Group is not engaged in any material litigation as at the date of this announcement.

### 27. Dividends

The second single tier dividend of 3.5 sen per share totaling RM6.3 million in respect of the financial year ending 31 December 2018 is declared for the period ended 30 June 2018, payable on 27 September 2018 to depositors registered in the Records of Depositors at close of business on 12 September 2018.

### 28. Basic Earning per Share

	Current Quarter		Year to Date	
	30 June		30 June	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parents	12,891	16,620	21,026	38,740
Weighted average number of shares	180,000	180,000	180,000	180,000
Basic Earning per Share (sen)	7.16	9.23	11.68	21.52

### 29. Authorisation for issue

This interim financial statements and the accompanying notes were authorised for issue by the Board of Directors in accordance with a resolution of the directors passed on 23 August 2018.

For and on behalf of the Board  
Lii Hen Industries Bhd.

Tan Wang Giap, MACS 00523  
Secretary