

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

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

ASSETS	Note	AS AT END OF CURRENT QUARTER 30/09/2018 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	164,045	151,946
Investment property		381	383
Prepaid lease payment		-	-
Long Term Investments		-	-
Goodwill on consolidation		-	-
Intangible Assets		490	506
Biological Assets		2,758	2,439
		<u>167,674</u>	<u>155,274</u>
<b>Current assets</b>			
Inventories		85,144	88,200
Trade receivables		68,439	61,423
Other receivables		16,611	24,181
Tax assets		3,743	1,447
Short term investment		-	-
Derivatives financial instruments at fair value	22	-	-
Fixed deposits with licensed banks		37,324	16,993
Cash and Bank Balances		38,219	75,220
		<u>249,480</u>	<u>267,464</u>
<b>TOTAL ASSETS</b>		<u>417,154</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		204,465	198,773
		<u>294,465</u>	<u>288,773</u>
Non-controlling interest		54	(712)
<b>TOTAL EQUITY</b>		<u>294,519</u>	<u>288,061</u>
<b>Non-current liabilities</b>			
Borrowings	21	1,987	3,836
Deferred taxation		15,307	14,886
		<u>17,294</u>	<u>18,722</u>
<b>Current Liabilities</b>			
Payables		69,235	78,349
Derivatives financial instruments at fair value	22	506	-
Dividend payables	27	-	-
Short term borrowings	21	35,600	34,604
Provision for Taxation		-	3,002
		<u>105,341</u>	<u>115,955</u>
<b>TOTAL LIABILITIES</b>		<u>122,635</u>	<u>134,677</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>417,154</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 3RD QUARTER ENDED 30 SEPTEMBER 2018

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2017 RM'000	CURRENT YEAR TO DATE 30.09.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2017 RM'000
<b>Revenue</b>	9	200,233	189,996	584,403	532,626
Cost of sales		(162,808)	(149,403)	(486,877)	(409,414)
<b>Gross Profit</b>		37,425	40,593	97,526	123,212
Other operating income/(expenses)	23	1,196	523	1,653	(1,155)
Operating expenses	24	(17,775)	(15,258)	(49,259)	(44,757)
<b>Profit from operations</b>		20,846	25,858	49,920	77,300
Finance costs		(350)	(277)	(1,051)	(743)
<b>Profit before taxation</b>		20,496	25,581	48,869	76,557
Taxation	20	(4,666)	(6,114)	(11,810)	(18,350)
<b>Profit for the period</b>		15,830	19,467	37,059	58,207
<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>		15,830	19,437	37,059	58,207
<b>Profit attributable to :-</b>					
Owners of the Parent		15,267	19,467	36,292	58,207
Non-controlling Interest		563	-	767	-
		15,830	19,467	37,059	58,207
<b>Total comprehensive income attributable to :</b>					
Owners of the Parent		15,267	19,467	36,292	58,207
Non-controlling Interest		767	-	767	-
		15,830	19,467	36,059	58,207
<b>Earning per share attributable to owners of the Parent (sen)</b>					
Basic	28	8.48	10.82	20.16	32.34
Diluted					
		8.48	10.82	20.16	32.34

(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 THIRD QUARTER ENDED 30 SEPTEMBER 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			36,292	36,292	767	37,059
Dividend paid			(30,600)	(30,600)	-	(30,600)
Balance as at 30 September 2018	<u>90,000</u>	<u>27,231</u>	<u>177,233</u>	<u>294,465</u>	<u>55</u>	<u>294,520</u>
Balance as at 1 January 2017	90,000	29,042	144,982	264,024	107	264,131
Total comprehensive income for the period			58,207	58,207		58,207
Dividend paid			(39,600)	(39,600)	-	(39,600)
Balance as at 30 September 2017	<u>90,000</u>	<u>29,042</u>	<u>163,589</u>	<u>282,631</u>	<u>107</u>	<u>282,738</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 THIRD QUATER ENDED 30 SEPTEMBER 2018**

	Unaudited Current Year To Date 30 Sept 18 RM'000	Unaudited Preceding Year Corresponding Period 30 Sept 17 RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before Taxation	48,869	76,557
Adjustments for :-		
Depreciation	6,382	5,711
Amortisation of intangible assets	14	14
Bad debts written off	33	-
Interest expenses	1,051	743
Interest income	(1,408)	(2,322)
Fixed assets written off	22	-
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)	(91)
Unrealised foreign exchange loss/(gain)	(53)	(81)
Net fair value loss/(gain) on financial instruments measured at fair value	506	(282)
Operating profit before working capital changes	<u>55,391</u>	<u>81,445</u>
Decrease/(Increase) in inventories	3,056	(16,438)
Decrease/(Increase) in receivables	574	(13,170)
(Decrease) in payables	(9,114)	(264)
Cash (used in)/generated from operations	<u>49,907</u>	<u>51,573</u>
Interest paid	(1,051)	(743)
Income tax refund	-	155
Tax paid	(16,687)	(16,354)
Realisation of derivative financial instruments	-	(2,650)
Net cash (used in)/from operating activities	<u>32,169</u>	<u>31,981</u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment	(18,540)	(10,380)
Purchase of subsidiary DPSB, net of cash acquired	-	-
Biological assets	(320)	(301)
Proceeds from issue of equity from non-controlling interest	-	-
Proceeds from disposal of property, plant and equipment	60	105
Interest income	1,408	2,322
Net cash used in investing activities	<u>(17,392)</u>	<u>(8,254)</u>
<b>Cash Flow From Financing Activities</b>		
Drawdown/(repayment) of Banker Acceptances	3,000	990
Repayment of term loans and hire purchase creditor	(1,289)	(1,720)
Drawdown of Hire purchase	250	-
Dividend paid	(30,600)	(39,600)
Net cash from/(used in) financing activities	<u>(28,639)</u>	<u>(40,330)</u>
Net changes in Cash and Cash Equivalents	<u>(13,862)</u>	<u>(16,603)</u>
Cash and Cash Equivalents Brought Forward	84,749	124,983
Cash and Cash Equivalents Carried Forward	<u>70,887</u>	<u>108,380</u>
Cash and cash equivalents carried forward consists of :-		
Cash and bank balances	70,887	119,498
Bank overdraft	-	(11,118)
	<u>70,887</u>	<u>108,380</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 (Company No: 301361-U)

### NOTES TO THE QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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.

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

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

### 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.

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

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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 September 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 September 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
Final single tier	3 sen	31.12.2017	5,400	05.07.2018	19.07.2018
Second interim single tier	3.5 sen	31.12.2018	6,300	12.09.2018	27.09.2018

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**9. Segmental Reporting**

The Group has the following reportable segments as shown below: -

2018	Furniture Manufacturing		Plantation		Other		Group	
	3rd Quarter RM'000	YTD RM'000	3rd Quarter RM'000	YTD RM'000	3rd Quarter RM'000	YTD RM'000	3rd Quarter RM'000	YTD RM'000
<b>Revenue</b>								
Total revenue	200,750	585,711	-	-	6,300	30,600	207,050	616,311
Inter-segment revenue	(517)	(1,308)	-	-	(6,300)	(30,600)	(6,817)	(31,908)
Revenue from external customers	200,233	584,403	-	-	-	-	200,233	584,403
Interest income	245	743	-	-	188	665	433	1,408
Finance costs	(350)	(1,051)	-	-	-	-	(350)	(1,051)
Net finance income	(105)	(288)	-	-	188	645	83	357
Depreciation of property, plant and equipment	2,121	6,314	22	68	-	-	2,143	6,382
Amortisation of intangible asset	-	-	5	14	-	-	5	14
Segment profit/(loss) before tax	20,491	48,372	(86)	(114)	91	211	20,496	48,869
Additions to non-current assets	11,523	18,540	108	320	-	-	11,631	18,860
Segment assets		395,402		3,404	-	18,348		417,154
Segment liabilities		122,421		206	-	8		122,635



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

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The Group has the following reportable segments as shown below:-

2017	Furniture Manufacturing		Plantation		Other		Group	
	3rd Quarter RM'000	YTD RM'000	3rd Quarter RM'000	YTD RM'000	3rd Quarter RM'000	YTD RM'000	3rd Quarter RM'000	YTD RM'000
<b>Revenue</b>								
Total revenue	190,326	533,690	-	-	8,107	44,101	198,433	577,791
Inter-segment revenue	(330)	(1,064)	-	-	(8,107)	(44,101)	(8,437)	(45,165)
Revenue from external customers	<u>189,996</u>	<u>532,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,996</u>	<u>532,626</u>
Interest income	631	1,727	-	-	254	595	885	2,322
Finance costs	(277)	(743)	-	-	-	-	(277)	(743)
Net finance costs	<u>354</u>	<u>984</u>	<u>-</u>	<u>-</u>	<u>254</u>	<u>595</u>	<u>608</u>	<u>1,579</u>
Depreciation of property, plant and equipment	1,952	5,635	23	76	-	-	1,975	5,711
Amortisation of intangible asset	-	-	4	14	-	-	4	14
Segment profit/(loss) before tax	25,508	77,794	(42)	(1,373)	115	136	25,581	76,557
Additions to non-current assets	3,362	10,379	30	302	-	-	3,392	10,681
Segment assets		379,315		5,204		24,502		409,021
Segment liabilities		126,114		124		46		126,284

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

	Current Quarter		Year to Date	
	30 Sept		30 Sept	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Africa	1,337	646	2,718	1,765
America	145,675	135,916	435,143	388,921
Asia	35,976	26,993	99,847	71,713
Australia	1,212	708	3,146	1,328
Europe	1,067	121	1,822	491
Malaysia	14,966	25,612	41,727	68,408
	200,233	189,996	584,403	532,626

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 September 2018.

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

There were no material events subsequent to 30 September 2018.

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

There were no changes in the composition of the Company for the period ended 30 September 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	10,009
- unsecured	-
Corporate guarantees for credit facilities granted to subsidiary companies ( unsecured )	93,378

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

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### 14. Capital Commitment

There is no capital commitment incurred in the interim financial report as at 30 September 2018.

### 15. Significant Related Party Transactions

Subsidiaries	Transacting Parties	Relationship	Nature of Transactions	Current quarter ended 30.09.18	Cumulative Quarter ended 30.09.18
Favourite Design Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person.	Provide subcontract charges	RM589,269	RM1,463,264
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng has interest	Renting of building	RM62,910	RM188,730
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	RM119,721	RM357,070

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### ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

#### 16. Review Performance of the Group

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

	Individual Period (3rd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	30.09.18	30.09.17		30.09.18	30.09.17	
	RM'000	RM'000		RM'000	RM'000	
Revenue	200,233	189,996	5%	584,403	532,626	10%
Profit before tax	20,496	25,581	(20%)	48,869	76,557	(36%)
Profit after tax	15,830	19,467	(19%)	37,059	58,207	(36%)
Profit attributable to Ordinary Equity of the Parent	15,267	19,467	(21%)	36,292	58,207	(38%)

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

For the current reporting quarter, the Group's revenue continued to grow for 12% to USD 47 million against the preceding year corresponding quarter of USD 42 million. The bedroom and sofa sets were the main contributors for the increase whereas there was decreased in revenue for the dining and office furniture. However, the increase was partially offset by the stronger Ringgit against the US Dollar by 4% compared to corresponding quarter of last year (2018: 4.08, 2017: 4.25). Coupled with the decrease in local sales, the overall growth in revenue was 5% in Ringgit.

Despite higher sales, the Group reported lower gross profit margin of 19% against 21% in the previous corresponding reporting period. This was mainly due to the strengthening of Ringgit and increase of operating costs especially on the additional overhead cost from the foreign workers' levy.

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

Likewise, for the current year to date, though the Group achieved growth in sales revenue of 21% from USD 116 million in 2017 to USD 141 million, due to the same factors as described above, the Group's profit before tax was down 36% to RM49 million as compared to RM77 million for the same period of last year.

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### 17 Variation of Results Against Preceding Quarter

Description	3rd Qtr 2018 RM'000	1 <sup>st</sup> Qtr 2018 RM'000	Changes	
			RM'000	%
Revenue	200,233	190,406	9,827	5%
Profit before tax	20,496	17,232	3,263	19%
Profit after tax	15,830	13,095	2,735	21%
Profit attributable to Ordinary Equity Holders of the Parent	15,267	12,891	2,375	18%

Revenue in current period recorded a marginal increase of 1% compared to the immediate preceding quarter, from USD 46.5 million to USD 47.0 million. The appreciation of USD against RM by 4% (3<sup>rd</sup> Qtr 2018 :4.08; 2nd Qtr 2018: 3.94) was the main factor that led to the overall increase of 5% in revenue of the reporting currency.

With the operating cost maintained at relatively constant level and favourable USD compared to the immediate preceding quarter, the third quarter's gross profit margin improved to 19% from 16% of 2nd quarter 2018, hence profit before tax also increased by 19%.

### 18. Current year prospects

The US unemployment rate still at its low of 3.7% which sustained the expectations of another Fed rate hike in December. The global market sentiments continue to vacillate towards the extent of the potential progress pertaining to the discussion of the US-China trade war at the sidelines of the G20 meeting later this month. However, with the uncertainties on the global economy and trade scenario, the Board of Directors of Lii Hen Industries Bhd ("Board") is generally positive towards the US consumer sentiment.

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.

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

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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	4,367	11,389
- over provision of prior years	-	-
- deferred taxation	299	421
	<u>4,666</u>	<u>11,810</u>

The lower effective tax rate was due to certain tax incentives claimed in certain subsidiary companies.

### 21. Group Borrowings and Debt Securities

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

	3rd Quarter 2018 (RM'000)	3rd Quarter 2017 (RM'000)
<b>Short Term</b>		
Overdraft	1,899	11,118
Bankers' acceptance	30,928	23,838
Term loans	2,750	2,937
Hire purchase	23	-
Total	35,600	37,893
<b>Long Term</b>		
Term loans	1,765	3,451
Hire purchase	222	-
Total borrowings	37,587	41,344

The loans and bank borrowings are secured and denominated in Ringgit Malaysia. The weighted average floating interest rates ranged from 4.05% to 4.28%.

### 22. Financial Instruments - derivatives

As at 30 September 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	38,779	39,285	506

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 September		Year to Date 30 September	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Foreign exchange gain/(loss)				
-realised	1,015	(910)	(59)	(4,396)
-unrealised	(353)	(47)	53	81
Gain/(loss) on disposal of property, plant & equipment	-	22	25	81
Interest income	433	885	1,408	2,322
Fair value gain/(loss) on derivative Financial instruments	(120)	414	(506)	282
Rental income	139	101	405	304
Sundry revenue	81	58	230	171
Insurance claim	-		97	-
	1,195	523	1,653	(1,155)

**24. Operating Expenses**

The operating expenses included the following charges:-

	Current Quarter 30 September		Year to Date 30 September	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Depreciation & amortisation	2,149	1,980	6,396	5,725
Interest expenses	350	277	1,051	743
Property, plant & equipment written off	3	-	22	-
Biological assets written off	-	-	-	1,196

## LII HEN INDUSTRIES BHD (Company No: 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 September 2018.

### 26. Material Litigations

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

### 27. Dividends

The third 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 September 2018, payable on 27 December 2018 to depositors registered in the Records of Depositors at close of business on 12 December 2018.

### 28. Basic Earning per Share

	Current Quarter		Year to Date	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parents	15,267	19,467	36,292	58,207
Weighted average number of shares	180,000	180,000	180,000	180,000
Basic Earning per Share (sen)	8.48	10.82	20.16	32.34

### 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 22 November 2018.

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

Tan Wang Giap, MACS 00523  
Secretary