

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

ASSETS	Note	AS AT END OF CURRENT QUARTER 30.06.2019 RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2018 RM'000 AUDITED
<b>Non-current assets</b>			
Property, plant and equipment	10	185,139	184,279
Investment property		371	375
Right-of-use assets		14,738	-
Intangible assets		476	487
Biological assets		2,440	2,230
		<u>203,164</u>	<u>187,371</u>
<b>Current assets</b>			
Inventories		78,498	89,260
Trade receivables		62,675	67,085
Other receivables		12,621	15,575
Tax assets		1,705	2,709
Investment security	20	16,518	17,723
Derivatives financial instruments at fair value	23	86	54
Fixed deposits with licensed banks		55,267	21,604
Cash and bank balances		62,569	54,740
		<u>289,939</u>	<u>268,750</u>
<b>TOTAL ASSETS</b>		<u>493,103</u>	<u>456,121</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent:</b>			
Share Capital		90,000	90,000
Reserves		255,563	235,993
		<u>345,563</u>	<u>325,993</u>
Non-controlling interest		380	(22)
<b>TOTAL EQUITY</b>		<u>345,943</u>	<u>325,971</u>
<b>Non-current liabilities</b>			
Borrowings	22	1,154	2,354
Lease liabilities		9,947	-
Deferred taxation		19,940	19,411
		<u>31,041</u>	<u>21,765</u>
<b>Current Liabilities</b>			
Payables		81,362	80,662
Derivatives financial instruments at fair value	23	-	-
Dividend payable	28	5,400	-
Short term borrowings	22	17,896	26,846
Lease liabilities		5,616	-
Provision for taxation		5,845	877
		<u>116,119</u>	<u>108,385</u>
<b>TOTAL LIABILITIES</b>		147,160	130,150
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>493,103</u>	<u>456,121</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2018 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 2019**

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2019

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.06.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2018 RM'000	CURRENT YEAR TO DATE 30.06.2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2018 RM'000
<b>Revenue</b>	9	193,805	190,406	397,100	384,171
Cost of sales		(152,282)	(159,251)	(314,158)	(324,070)
<b>Gross Profit</b>		41,523	31,155	82,942	60,101
Other operating income/(expenses)	24	993	3,266	344	457
Operating expenses	25	(17,597)	(16,818)	(34,697)	(31,484)
<b>Profit from operations</b>		24,919	17,603	48,589	29,074
Finance costs		(416)	(371)	(883)	(700)
<b>Profit before taxation</b>		24,503	17,232	47,706	28,374
Taxation	21	(5,841)	(4,137)	(11,817)	(7,144)
<b>Profit for the period</b>		18,662	13,095	35,889	21,230
<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>		18,662	13,095	35,889	21,230
<b>Profit attributable to:</b>					
Owners of the Parent		18,220	12,891	35,469	21,026
Non-controlling Interest		442	204	420	204
		18,662	13,095	35,889	21,230
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent		18,220	12,891	35,469	21,026
Non-controlling Interest		442	204	420	204
		18,662	13,095	35,889	21,230
<b>Earnings per share attributable to owners of the Parent (sen)</b>					
Basic	29	10.12	7.16	19.71	11.68
Diluted					
		10.12	7.16	19.71	11.68

(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 31 December 2018 and the accompanying notes attached to these audited financial statements.)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE  
2019**

	-----Attributable to owners of the Parent -----					Total Equity RM'000
	Share Capital RM'000	Non distributable Revaluation Reserve RM'000	Distributable Retained Profit RM'000	Total RM'000	Non Controlling Interest RM'000	
Balance as at 1 January 2019	90,000	43,431	192,562	325,993	(22)	325,971
Adjustment on initial application of MFRS 16			(599)	(599)	(18)	(617)
At 1 January 2019, restated	90,000	43,431	191,963	325,394	(40)	325,354
Total comprehensive income for the period			35,469	35,469	420	35,889
Dividend paid/payables			(15,300)	(15,300)	-	(15,300)
Balance as at 30 June 2019	<u>90,000</u>	<u>43,431</u>	<u>212,132</u>	<u>345,563</u>	<u>380</u>	<u>345,943</u>
Balance as at 1 January 2018	90,000	27,231	171,541	288,772	(712)	288,060
Total comprehensive income for the period			21,026	21,026	204	21,230
Other comprehensive income			-	-	-	-
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>290,898</u>	<u>(508)</u>	<u>290,390</u>

**(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2018 and the accompany explanatory notes to these audited financial statements.)**

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR SECOND QUARTER ENDED 30 JUNE 2019

	Unaudited Current Period To- Date 30 June 19 RM'000	Preceding Year Corresponding Period 30 June 18 RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before Taxation	47,706	28,374
Adjustments for :-		
Depreciation	7,424	4,238
Amortisation of intangible assets	10	9
Bad debts written off	-	33
Interest expenses	883	700
Interest income	(1,149)	(975)
Fixed assets written off	-	19
Inventories written off due to fire/down to net realisable value	-	-
Biological asset written off	-	-
(Gain)/Loss on disposal of property, plant and equipment	(297)	(25)
Unrealised foreign exchange loss/(gain)	508	(406)
Net fair value loss/(gain) on financial instruments measured at fair value	(86)	386
Operating profit before working capital changes	<u>54,999</u>	<u>32,353</u>
Decrease/(Increase) in inventories	10,763	4,016
Decrease/(Increase) in receivables	6,855	3,786
(Decrease) in payables	699	(1,405)
Cash (used in)/generated from operations	<u>73,316</u>	<u>38,750</u>
Interest paid	(883)	(700)
Income tax refund	70	-
Tax paid	(5,563)	(11,153)
Realisation of derivative financial instruments	54	-
Net cash (used in)/from operating activities	<u>66,994</u>	<u>26,897</u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment	(5,008)	(7,017)
Redemption of investment security	1,206	-
Biological assets	(209)	(212)
Proceeds from issue of equity from non-controlling interest	-	-
Proceeds from disposal of property, plant and equipment	312	60
Interest income	1,149	975
Net cash used in investing activities	(2,550)	(6,194)
<b>Cash Flow From Financing Activities</b>		
Draw-down/(repayment) of Bankers' Acceptances	(9,271)	4,823
Repayment of term loans and hire purchase creditor	(878)	(854)
Repayment of lease liabilities	(2,903)	-
Dividend paid	(9,900)	(18,900)
Drawdown of hire purchase	-	250
Net cash from/(used in) financing activities	(22,952)	(14,681)
Net changes in Cash and Cash Equivalents	<u>41,492</u>	<u>6,022</u>
Cash and Cash Equivalents Brought Forward	73,500	84,749
Cash and Cash Equivalents Carried Forward	<u>114,992</u>	<u>90,771</u>
Cash and cash equivalents carried forward consists of :-		
Cash and bank balances	117,836	93,527
Bank overdraft	-	-
	<u>117,836</u>	<u>93,527</u>
Less: Fixed deposit pledged for bank facilities	(2,844)	(2,757)
	<u>114,992</u>	<u>90,771</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 2018 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 JUNE 2019**

#### **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 Standards 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 2018. 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 2018.

#### **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 2018, except for the following 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 2019:

##### Adoption of Standards

MFRS 16	Leases
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101	Definition of Material
Amendments to MFRS 108	Definition of Material
IC Interpretation 23	Uncertainty Over Income Tax Treatments

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### MFRS 16 – Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions involving the Legal Form of a Lease.

MFRS 16 introduces a single, on-balance sheet lease accounting model of lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

As allowed by the transitional provision, the Group applies MFRS 16 with effect from 1 January 2019, using the modified retrospective approach, with no restatement of comparative information and the cumulative effect of adopting MFRS 16, of which is recognized as an adjustment to the opening balance of the following components at 1 January 2019.

	Previously Reported	Effect of Adoption	MFRS 16 01.01.2019
	RM'000	RM'000	RM'000
Right-of-use assets	-	14,204	14,204
Lease liabilities	-	14,204	14,204
Retained earnings	192,562	(599)	191,963
Non-controlling interest	(22)	(18)	(40)

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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 2018.

### 4. **Seasonal or cyclical factors**

The principal business operations of the Group have historically shown moderate seasonality, where production and sales of furniture are generally lower in the beginning of the calendar year due to festive periods as well as the summer holidays 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 2019.

### 6. **Material Changes in estimates**

There were 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 2019.

### 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
Fourth interim single tier	2 sen	31.12.2018	3,600	13.03.2019	28.03.2019
First interim single tier	3.5 sen	31.12.2019	6,300	13.06.2019	27.06.2019

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### 9. Segmental Reporting

The Group has the following reportable segments:

2019	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
Revenue								
Total revenue	194,242	398,280	-	-	6,877	16,757	201,119	415,037
Inter-segment revenue	(437)	(1,180)	-	-	(6,877)	(16,757)	(7,314)	(17,937)
Revenue from external customers	193,805	397,100	-	-	-	-	193,805	397,100
Interest income	549	804	-	-	181	345	730	1,149
Finance costs	(406)	(874)	(10)	(10)	-	-	(416)	(884)
Net finance (costs)/income	143	(70)	(10)	(10)	181	345	314	265
Depreciation of property, plant and equipment	3,760	7,372	28	52	-	-	3,788	7,424
Amortisation of intangible assets	-	-	5	10	-	-	5	10
Segment profit/(loss) before tax	24,581	47,851	(52)	(169)	(26)	24	24,503	47,706
Additions to non-current assets	3,567	1,439	-	-	2	-	3,569	5,008
Segment assets		465,212		4,708		23,183		493,103
Segment liabilities		140,788		343		5,413		146,544



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The Group has the following reportable segments:

2018	Furniture Manufacturing		Plantation		Other		Group	
	2 <sup>nd</sup> Quarter RM'000	YTD RM'000	2 <sup>nd</sup> Quarter RM'000	YTD RM'000	2 <sup>nd</sup> Quarter RM'000	YTD RM'000	2 <sup>nd</sup> Quarter RM'000	YTD RM'000
Revenue								
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 cost	(371)	(700)	-	-	-	-	(371)	(700)
Net finance (costs)/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 assets	-	-	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 analysis of the furniture manufacturing segment can be further analysed into the following geographical segments:

	Current Quarter		Year to Date	
	30 June		30 June	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Africa	779	778	1,188	1,382
America	151,200	140,785	315,737	289,468
Asia	34,743	33,754	65,438	63,872
Australia	668	602	1,405	1,933
Europe	187	413	804	754
Malaysia	6,228	14,074	12,528	26,762
	193,805	190,406	397,100	384,171

There were three (3) major customers with revenue equalling or exceeding 10% of the Group's total revenue for the current quarter.

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

The carrying value of properties which was revalued in 2018 has been brought forward from the previous financial statements and there were no valuations of properties, plant and equipment for period ended 30 June 2019.

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

There were no material events subsequent to 30 June 2019.

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

There were no changes in the composition of the Group for the period ended 30 June 2019.

### 13. Changes in contingent liabilities

There were no contingent liabilities as at the date of this report.

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**14. Capital Commitment**

There was no capital commitment incurred in the interim financial report as at 30 June 2019.

**15. Significant Related Party Transactions**

Subsidiaries of the Company	Transacting Parties	Relationship	Nature of Transactions	Current Quarter Ended 30.06.19	Cumulative Quarter Ended 30.06.19
Favourite Design Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person	Provide subcontract charges	RM 560,861	RM 1,118,357
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng has interest	Renting of building	RM 69,030	RM 131,940
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	RM 67,983	RM 119,921
LSG Furniture Sdn Bhd	Hong Tat Sofa Enterprise	A company in which Sia Chee Shong is a connected person	Provide subcontract charges	RM 33,986	RM 33,986
LSG Furniture Sdn Bhd	Chuan Yie Furniture Sdn Bhd	A company in which Koh Ben Guan has interest	Provide subcontract charges	RM 253,554	RM 326,372

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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 is tabulated below:

	Individual Period (2nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	30.06.19	30.06.18		30.06.19	30.06.18	
	RM'000	RM'000		RM'000	RM'000	
Revenue	193,805	190,406	1.78%	397,100	384,171	3.36%
Profit before tax	24,503	17,232	42.19%	47,706	28,374	68.13%
Profit after tax	18,662	13,095	42.51%	35,889	21,230	69.05%
Profit attributable to Ordinary Equity of the Parent	18,220	12,891	41.34%	35,469	21,026	68.69%

(a) Current Quarter vs Preceding Year Corresponding Quarter

The Group's revenue increased by 1.8% compared to the preceding year's corresponding quarter. This was mainly due to the average USD exchange rate which was 5.08% higher than that in the corresponding period (2019: 4.14; 2018: 3.94). The favourable exchange rate essentially contributed to the marginal increase in revenue for the reporting period.

With the ongoing rationalization of the manufacturing process, especially in the management of labour and sub-contractors, coupled with the favourable USD conversion rate in the current quarter, the Group's profit before tax improved 42% from RM17.23 million of the preceding period to RM24.50 million.

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

The Group's turnover for the first half of 2019 increased marginally from RM384 million to RM397 million. Due mainly to the appreciation of USD and better control of costs, the Group's profit before tax recorded at RM47.7 million, an increase of 68% compared to the preceding corresponding period of RM 28.4 million.

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## 17 Variation of Results Against Preceding Quarter

Description	2 <sup>nd</sup> Qtr 2019 RM'000	1st Qtr 2019 RM'000	Changes	
			RM'000	%
Revenue	193,805	203,295	(9,490)	(4.67%)
Profit before tax	24,503	23,203	1,300	5.60%
Profit after tax	18,662	17,227	1,435	8.33%
Profit attributable to Ordinary Equity Holders of the Parent	18,220	17,249	971	5.63%

Revenue for the current quarter decreased 4.67% compared to the immediate preceding quarter mainly due to decrease in export sales by 5.76%, partially offset by the appreciation of USD against RM by 1.47% (2nd Qtr 2019 :4.14; 1<sup>st</sup> Qtr 2019: 4.08).

Notwithstanding the lower revenue by 4.67%, the Group's profit before tax registered at RM24.5 million, which was 5.60% higher compared to RM 23.2 million of the immediate preceding quarter. This was mainly due to appreciation of US Dollar and improved cost control and operational efficiency.

## 18. Current year prospects

The U.S. job growth has slowed in July 2019 as manufacturers slashed working hours. This, together with the escalating trade tensions between the world's two largest economies, could lead to the Federal Reserve cutting interest rate in September 2019 to ease the downside risks in the US economy.

On the local front, the Group continues to face challenges in the management of production costs and availability of workforce that may impact on 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 market position, expand customer base and simultaneously continue to adopt an effective cost management. With a better controllable cost structure and wider sales market base, the Board is cautiously optimistic that the Group will remain profitable for the year of 2019.

## 19. Profit forecast

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

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20 **Investment security**

This comprises placement with a licensed commercial bank for investment in unit trust.

21. **Taxation**

Taxation charge for the quarter and year-to-date comprises:

	Current Quarter RM'000	Year-to-Date RM'000
Current taxation		
- provision for the period	5,721	11,288
- over provision of prior years	-	-
- deferred taxation	120	529
	<u>5,841</u>	<u>11,817</u>

22. **Group Borrowings and Debt Securities**

The Group's borrowings as at end of the reporting quarters were as follows: -

	30.06.19 (RM'000)	30.06.18 (RM'000)
<b>Short Term</b>		
Overdraft	-	-
Bankers' acceptances	15,639	32,751
Term loans	2,233	2,773
Hire purchase	24	23
Total	17,896	35,547
<b>Long Term</b>		
Term loans	950	2,178
Hire purchase	204	227
Total borrowings	19,050	37,952

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%. (2018: 3.28% to 4.7%) per annum.

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### 23. Financial Instruments - derivatives

As at 30 June 2019, 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	31,334	31,248	86

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

Other operating income/(expenses) comprises the following:

	Current Quarter 30 June		Year-to-Date 30 June	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Foreign exchange gain/(loss)				
-realised	37	2,169	(1,256)	(1,074)
-unrealised	(462)	1,107	(508)	406
Gain/(loss) on disposal of property, plant and equipment	230	35	297	25
Interest income	730	493	1,149	975
Fair value gain/(loss) on derivative Financial instruments	132	(781)	86	(386)
Rental income	215	134	359	266
Sundry revenue	111	85	217	149
Insurance claim	-	24	-	96
	993	3,266	344	457

**25. Operating Expenses**

The operating expenses included the following charges:

	Current Quarter 30 June		Year-to-Date 30 June	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Depreciation and amortization	3,793	2,137	7,434	4,247
Interest expenses	416	371	883	700
Property, plant and equipment written off	-	19	-	19
Biological assets written off	-	-	-	-



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**26. Off Balance Sheet Financial Instruments**

The Group did not have any financial instruments with off-balance sheet risk as at 30 June 2019.

**27. Material Litigations**

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

**28. Dividends**

The second single tier dividend of 3.5 sen per share totalling RM6.3 million in respect of the financial year ending 31 December 2019 is declared, payable on 27 September 2019 to depositors registered in the Records of Depositors at close of business on 12 September 2019.

**29. Basic Earnings per Share**

	Current Quarter		Year to Date	
	30 June		30 June	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit attributable to owners of the Parents	18,220	12,891	35,469	21,026
Weighted average number of shares	180,000	180,000	180,000	180,000
Basic Earnings per Share (sen)	10.12	7.16	19.71	11.68

**30. Authorisation for issue**

These 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 26 August 2019.

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

Pang Kah Man, MIA 18831  
Company Secretary