

**LII HEN INDUSTRIES BHD (Company No: 199401015681/301361-U)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

ASSETS	Note	AS AT END OF CURRENT QUARTER 31.03.2021 RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2020 RM'000 AUDITED
<b>Non-current assets</b>			
Property, plant and equipment		196,522	193,996
Investment property		357	359
Right- of- use assets		13,475	14,873
Intangible assets		3	4
Biological assets		2,862	2,798
		<u>213,219</u>	<u>212,030</u>
<b>Current assets</b>			
Inventories		140,738	146,416
Trade receivables		99,330	70,863
Other receivables		11,006	12,881
Tax assets		3,470	594
Derivatives financial instruments at fair value	22	-	1,392
Fixed deposits with licensed banks		78,504	101,144
Cash and bank balances		46,047	61,436
		<u>379,095</u>	<u>394,726</u>
<b>TOTAL ASSETS</b>		<u>592,314</u>	<u>606,756</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent:</b>			
Share capital		90,000	90,000
Reserves		333,068	328,045
		<u>423,068</u>	<u>418,045</u>
Non-controlling interest		3,723	2,723
<b>TOTAL EQUITY</b>		<u>426,791</u>	<u>420,768</u>
<b>Non-current liabilities</b>			
Borrowings	21	1,141	1,356
Lease liabilities		7,039	8,446
Deferred taxation		20,205	19,930
		<u>28,385</u>	<u>29,732</u>
<b>Current Liabilities</b>			
Payables		109,359	122,622
Derivatives financial instruments at fair value	22	2,064	-
Dividend payable		-	-
Short-term borrowings	21	18,869	26,179
Lease liabilities		6,321	6,274
Provision for taxation		525	1,181
		<u>137,138</u>	<u>156,256</u>
<b>TOTAL LIABILITIES</b>		165,523	185,988
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>592,314</u>	<u>606,756</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 2020 and the accompanying explanatory notes attached.)

**LII HEN INDUSTRIES BHD (Company No: 199401015681/301361-U)**

The Board of Directors is pleased to announce the following: -

**UNAUDITED RESULTS OF THE GROUP FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.03.2021 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2020 RM'000	CURRENT YEAR TO DATE 31.03.2021 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2020 RM'000
<b>Revenue</b>	9	237,375	205,208	237,375	205,208
Cost of sales		(201,654)	(164,085)	(201,654)	(164,085)
<b>Gross Profit</b>		35,721	41,123	35,721	41,123
Other operating income/(expenses)	23	521	2,799	521	2,799
Operating expenses	24	(18,609)	(17,409)	(18,609)	(17,409)
<b>Profit from operations</b>		17,633	26,513	17,633	26,513
Finance costs		(262)	(385)	(262)	(385)
<b>Profit before taxation</b>		17,371	26,128	17,371	26,128
Taxation	20	(4,148)	(6,428)	(4,148)	(6,428)
<b>Profit for the period</b>		13,223	19,700	13,223	19,700
<b>Other comprehensive income for the period, net of tax item that will not be reclassified subsequently to profit or loss</b>			-		-
Revaluation surplus on property, plant and equipment		-	-	-	-
<b>Total comprehensive income for the period</b>		13,223	19,700	13,223	19,700
<b>Profit/(Loss) attributable to:</b>					
Owners of the Parent		12,223	19,833	12,223	19,833
Non-Controlling Interest		1,000	(133)	1,000	(133)
		13,223	19,700	13,223	19,700
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent		12,223	19,833	12,223	19,833
Non-Controlling Interest		1,000	(133)	1,000	(133)
		13,223	19,700	13,223	19,700
<b>Earnings per share attributable to owners of the Parent (sen)</b>					
Basic	28	6.79	11.02	6.79	11.02
Diluted		-	-	-	-
		6.79	11.02	6.79	11.02

( 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 2020 and the accompanying notes attached.)

**LII HEN INDUSTRIES BHD (Company No: 199401015681/301361-U)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	-----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 2021	90,000	41,544	286,501	418,045	2,723	420,768
Total comprehensive income for the period			12,223	12,223	1,000	13,223
Dividend paid			(7,200)	(7,200)	-	(7,200)
Balance as at 31 March 2021	<u>90,000</u>	<u>41,544</u>	<u>291,524</u>	<u>423,068</u>	<u>3,723</u>	<u>426,791</u>
Balance as at 1 January 2020	90,000	42,338	243,431	375,769	654	376,423
Total comprehensive income for the period			76,476	76,476	2,069	78,545
Transfer between reserves		(794)	794	-	-	-
Dividend paid			(34,200)	(34,200)	-	(34,200)
Balance as at 31 December 2020	<u>90,000</u>	<u>41,544</u>	<u>286,501</u>	<u>418,045</u>	<u>2,723</u>	<u>420,768</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 2020 and the accompany explanatory notes.)**

**LII HEN INDUSTRIES BHD (Company No: 199401015681/301361-U)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FIRST QUARTER ENDED 31 MARCH 2021**

	Unaudited Current Period To Date 31 Mar 21 RM'000	Audited Preceding Year Ended 31 Dec 20 RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before Taxation	17,371	102,086
Adjustments for:		
Depreciation and amortization of assets	2,712	10,725
Depreciation on right-of-use assets	1,595	6,216
Inventories written down to net realisable value	-	4
Interest expenses	262	1,070
Interest income	(435)	(2,531)
Fixed assets written off	-	358
Gain on remeasurement and derecognition of right-of -use assets	(10)	(271)
Fair value changes of investment security	-	(392)
Fair value changes of biological asset	-	(34)
(Gain)/Loss on disposal of property, plant and equipment	(19)	(153)
Unrealised foreign exchange (gain) /loss	(793)	989
Net fair value loss/(gain) on financial instruments measured at fair value	2,064	(1,392)
Operating profit before working capital changes	<u>22,747</u>	<u>116,675</u>
Decrease/(Increase) in inventories	5,678	(59,121)
(Increase) in receivables	(25,800)	(16,038)
(Decrease)/ Increase in payables	(13,263)	27,251
Cash generated from operations	<u>(10,638)</u>	<u>68,767</u>
Interest paid	(262)	(1,070)
Tax paid	(7,405)	(29,738)
Realisation of derivative financial instruments	1,392	235
Net cash from operating activities	<u>(16,913)</u>	<u>38,194</u>
<b>Cash Flow From Investing Activities</b>		
Purchase of property, plant and equipment	(5,272)	(13,437)
Proceeds from disposal of short-term investment	-	19,191
Payment for Biological assets	(64)	(309)
Purchase of investment in money market fund	-	(1,000)
Proceeds from disposal of property, plant and equipment	61	218
Interest income	435	2,611
Net cash from/(used) in investing activities	<u>(4,840)</u>	<u>7,274</u>
<b>Cash Flow From Financing Activities</b>		
Net changes in bankers' acceptances	(8,343)	10,720
Repayment of term loans and hire purchase creditors	(219)	(979)
Repayment of lease liabilities	(1,551)	(5,881)
Dividend paid	(7,200)	(34,200)
Changes in pledged short-term deposits	-	330
Net cash (used in) financing activities	<u>(17,313)</u>	<u>(30,010)</u>
Net changes in Cash and Cash Equivalents	<u>(39,066)</u>	<u>15,458</u>
Cash and Cash Equivalents Brought Forward	160,014	144,556
Cash and Cash Equivalents Carried Forward	<u><u>120,948</u></u>	<u><u>160,014</u></u>
Cash and cash equivalents carried forward consist of:		
Cash and bank balances	124,551	162,580
Bank overdraft	<u>(1,037)</u>	<u>-</u>
	123,514	162,580
Less: Fixed deposit pledged for bank facilities	<u>(2,566)</u>	<u>(2,566)</u>
	<u><u>120,948</u></u>	<u><u>160,014</u></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 2020 and the accompanying explanatory notes.)

**NOTES TO THE QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2021**

**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 2020. The 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 2020.

**2. Significant Accounting Policies**

The significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the last audited financial statements for the financial year ended 31 December 2020, except for the following Amendment to MFRSs and Amendment to IC Interpretation to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2021:

Amendments to MFRSs

- MFRS 3	Reference to the Conceptual Framework
- MFRS 9	Financial Instruments (Annual Improvement to MFRS Standards 2018 - 2020)
- MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
- MFRS 16	Covid-19 - Related Rent Concessions
- MFRS 16	Leases (Annual Improvement to MFRS Standards 2018 – 2020)
- MFRS 101	Classification of Liabilities as Current or Non-current
- MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
- MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the abovementioned amendments did not have any significant impact on the financial statements of the Group.

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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 the Group for the year ended 31 December 2020.

### 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.

### 5. **Items of Unusual Nature**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the financial period ended 31 March 2021.

### 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 31 March 2021.

### 8. **Dividend Paid**

The dividend paid during the financial period was as follow: -

Type of dividend	Dividend per share	For the year ended	Amount RM'000	Entitlement Date	Payment Date
Fourth interim single tier	4.0 sen	31.12.2020	7,200	09.03.2021	25.03.2021

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## 9. Segmental Reporting

The Group has the following reportable segments: -

2021	Furniture Manufacturing		Plantation		Other		Group	
	1st Quarter RM'000	YTD RM'000	1st Quarter RM'000	YTD RM'000	1st Quarter RM'000	YTD RM'000	1st Quarter RM'000	YTD RM'000
Revenue								
Total revenue	237,999	237,999	-	-	8,237	8,237	246,236	246,236
Inter-segment revenue	(624)	(624)	-	-	(8,237)	(8,237)	(8,861)	(8,861)
Revenue from external customers	237,375	237,375	-	-	-	-	237,375	237,375
Interest income	345	345	-	-	90	90	435	435
Finance costs	(258)	(258)	(4)	(4)	-	-	(262)	(262)
Net finance (costs)/income	87	87	(4)	(4)	90	90	173	173
Depreciation of property, plant and equipment and right-of-use assets	4,275	4,275	32	32	-	-	4,307	4,307
Segment profit/(loss) before tax	17,487	17,487	(70)	(70)	(46)	(46)	17,371	17,371
Additions to non-current assets	5,272	5,272	64	64	-	-	5,336	5,336
Segment assets		569,131		4,919		18,264		592,314
Segment liabilities		165,083		317		123		165,523

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The Group has the following reportable segments: -

2020	Furniture Manufacturing		Plantation		Other		Group	
	1st Quarter RM'000	YTD RM'000	1st Quarter RM'000	YTD RM'000	1st Quarter RM'000	YTD RM'000	1st Quarter RM'000	YTD RM'000
Revenue								
Total Revenue	205,836	205,836	-	-	8,939	8,939	214,775	214,775
Inter-segment revenue	(628)	(628)	-	-	(8,939)	(8,939)	(9,567)	(9,567)
Revenue from external customers	205,208	205,208	-	-	-	-	205,208	205,208
Interest income	742	742	-	-	160	160	902	902
Finance cost	(381)	(381)	(5)	(5)	-	-	(386)	(386)
Net finance (costs)/income	361	361	(5)	(5)	160	160	516	516
Depreciation of property, plant and equipment and right-of -use assets	4,056	4,056	31	31	-	-	4,087	4,087
Segment profit/(loss) before tax	26,150	26,150	(71)	(71)	49	49	26,128	26,128
Additions to non-current assets	3,148	3,148	7	7	-	-	3,155	3,155
Segment assets		487,979		4,710		19,313		512,002
Segment liabilities		123,429		337		213		123,979



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The furniture manufacturing segment can be further analysed into the following geographical segments: -

	Current Quarter		Year to Date	
	31 Mar		31 Mar	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Africa	-	311	-	311
Asia	<b>1,240</b>	3,497	<b>1,240</b>	3,497
North America	<b>226,628</b>	194,705	<b>226,628</b>	194,705
Australia	<b>281</b>	183	<b>281</b>	183
Europe	<b>117</b>	812	<b>117</b>	812
Malaysia	<b>9,109</b>	5,700	<b>9,109</b>	5,700
	<b>237,375</b>	205,208	<b>237,375</b>	205,208

As at end of the reporting quarter, there were three (3) (2020: 3) major customers with revenue equalling to or exceeding 10% of the Group's total revenue.

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

The carrying value of properties which was revalued in 2018 has been brought forward from the audited financial statements for the year ended 31 December 2020, and there were no revaluations of properties, plant and equipment for the period ended 31 March 2021.

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

There were no material events subsequent to 31 March 2021.

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

There were no changes in the composition of the Group for the period ended 31 March 2021.

#### 13. Changes in contingent liabilities

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

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#### 14. Capital Commitment

Authorised capital expenditure not provided for in the interim financial report as at 31 March 2021 were as follows:

Authorised and contracted but not provided for:	RM'000
Construction of factory building	5,700
Purchase of leasehold land	5,364

#### 15. Recurring Related Party Transactions

Subsidiaries of the Company	Transacting Parties	Relationship	Nature of Transactions	Current Quarter Ended 31.03.21 RM	Cumulative Quarter Ended 31.03.21 RM
Favourite Design Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person	Provide sub-contract services	578,570	578,570
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng has interest	Renting of building	72,090	72,090
Mayteck Kilang Kayu dan Perabut Sdn Bhd	T-Home Furniture Industry Sdn Bhd	A company in which Joey Tok Siew Tin <sup>(1)</sup> , has interest	Selling of furniture parts	109,297	109,297
LSG Furniture Sdn Bhd	Hong Tat Sofa Enterprise	A company in which Sia Chee Shong <sup>(2)</sup> is a connected person	Provide sub-contract services	115,696	115,696
EF Furniture Sdn Bhd	T Fields Trading	A company in which Tan Bee Eng is a connected person	Provide printing services	497,434	497,434

Note <sup>(1)</sup> Joey Tok Siew Tin is the Group Marketing Manager and sister to Mr Tok Heng Leong

<sup>(2)</sup> Sia Chee Shong is a Director of LSG Furniture Sdn Bhd

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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 (1st Quarter)		Changes (%)	Cumulative Period		Changes (%)
	31.03.21	31.03.20		31.03.21	31.03.20	
	RM'000	RM'000	RM'000	RM'000		
Revenue	<b>237,375</b>	205,208	15.68%	<b>237,375</b>	205,208	15.68%
Profit before tax	<b>17,371</b>	26,128	(33.52%)	<b>17,371</b>	26,128	(33.52%)
Profit before tax margin (%)	<b>7.32</b>	12.73	(42.50%)	<b>7.32</b>	12.73	(42.50%)
Profit after tax	<b>13,223</b>	19,700	(32.83%)	<b>13,223</b>	19,700	(32.83%)
Profit attributable to Ordinary Equity of the Parent	<b>12,223</b>	19,833	(38.37%)	<b>12,223</b>	19,833	(38.37%)

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

Despite the shut-down of the factory operations in four (4) of the subsidiaries for close to four (4) weeks due to outbreak of the Covid-19 at the workers' dormitory and the continued depreciation of the USD against RM by 2.10% (2021: 4.0630; 2020: 4.1500), the Group's revenue continued to grow by 15.68% in the current quarter as compared to the preceding year corresponding quarter. The increase in revenue was mainly due to higher demand for the Group's products, especially bedroom and sofa sets.

Notwithstanding the higher revenue in the current quarter, the Group's profit before tax decreased 33.52% compared to the preceding year corresponding quarter. This was mainly due to higher operating costs in raw materials and labour costs as well as non-productivity period during the shut-down of factories as mentioned above.

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

The explanatory as per 16(a) would apply to 16(b).

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## 17 Variation of Results Against Preceding Quarter

Description	1 <sup>st</sup> Qtr 2021 RM'000	4 <sup>th</sup> Qtr 2020 RM'000	Changes	
			RM'000	%
Revenue	237,375	282,956	(45,581)	(16.11%)
Profit before tax	17,371	24,298	(6,927)	(28.51%)
Profit after tax	13,223	18,672	(5,449)	(29.18%)
Profit attributable to Ordinary Equity Holders of the Parent	12,223	17,531	(5,308)	(30.28%)

The acute global shortage of containers continued to affect the Group's shipment of goods to customers and, coupled with the shut-down of operation as mentioned in 16(a) above, revenue for the current quarter decreased 16.11% as compared to the immediate preceding quarter.

Due to lower sales and under-utilisation of capacity of four (4) weeks in certain subsidiary companies in the current quarter, the Group's profit before tax decreased 28.51% compared to that of the immediate preceding quarter.

## 18. Current year prospects

The prospects for a rebound from the Covid-19 pandemic are dim, and the world economy now faces sharply divergent growth prospects. The United States being the main market of the Group has outperformed most developed economies since the start of year 2021. The economy activities in US are anticipated to soar on the back of pent-up demand.

However, the recent resurgence of Covid-19 cases and restrictive measures introduced in the local front, coupled with the unresolved global shortage of containers, invariably pose uncertainty to the Group's business activities. The Board of Directors is mindful of the challenges ahead and will continue to be vigilant to sustain business viability with a view to enhance shareholders' value. With a controllable cost structure in place, a wider market base for the Group's products and rationalization on the use of available workforce, the Board is of the view that the Group will be able to navigate through the Covid-19 pandemic challenges it currently faces. Until the ongoing vaccination process is rolled out to cover a sizeable population in Malaysia to achieve herd immunity, the Group continues to exercise caution in the way its operating activities are conducted to ensure the requisite requirements issued by the Government for compliance are adhered to in the nation's quest to combat the viral outbreak.

## 19. Profit forecast

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

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## 20. Taxation

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

	Current Quarter 31.03.2021 RM'000	Year to Date 31.03.2021 RM'000
Current taxation		
- provision for the period	3,873	3,873
- deferred taxation	<u>275</u>	<u>275</u>
	<u>4,148</u>	<u>4,148</u>

The lower effective tax rate in relation to the year-to-date profit of the Group was largely due to tax incentives on export allowances available for one of the subsidiaries.

## 21. Borrowings and Debt Securities

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

	1st Quarter 2021 (RM'000)	1st Quarter 2020 (RM'000)
<b>Short Term</b>		
Overdraft	<b>1,037</b>	-
Bankers' acceptances	<b>16,945</b>	7,619
Term loans	<b>750</b>	1,656
Hire purchase	<b><u>137</u></b>	<u>137</u>
Total	<b><u>18,869</u></b>	<u>9,412</u>
<b>Long Term</b>		
Term loans	<b>593</b>	439
Hire purchase	<b><u>548</u></b>	<u>682</u>
Total	<b><u>1,141</u></b>	<u>1,121</u>
Grand Total	<b><u>20,010</u></b>	<u>10,533</u>

The loans and bank borrowings are secured and denominated in Ringgit Malaysia. The weighted average floating interest rates charged on the borrowings ranged from 2.39% to 2.54% (2020: 2.36% to 3.04%) per annum.

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**22. Financial Instruments - derivatives**

As at 31 March 2021, the foreign currency contracts which have been entered into by the Group to hedge against its sales in foreign currencies 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	117,246	119,310	2,064

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 against its sales denominated in foreign currencies.

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) comprise the following:

	Current Quarter 31 Mar		Year to Date 31 Mar	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Foreign exchange gain/(loss)				
-realised	797	2,670	797	2,670
-unrealised	793	395	793	395
Gain/(loss) on disposal of property, plant and equipment	19	44	19	44
Gain on remeasurement of R-O-U assets	10	-	10	-
Interest income	435	902	435	902
Fair value gain/(loss) on derivative Financial instruments	(2,064)	(1,788)	(2,064)	(1,788)
Rental income	454	444	454	444
Sundry revenue	77	132	77	132
	521	2,799	521	2,799

### 24. Operating Expenses

The operating expenses include the following charges:

	Current Quarter 31 Mar		Year to Date 31 Mar	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation & amortisation	4,306	4,087	4,306	4,087
Interest expenses	262	385	262	385

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**25. Off Balance Sheet Financial Instruments**

Save as disclosed in Note 22 above, the Group did not have any financial instruments with off balance sheet risk as at 31 March 2021.

**26. Material Litigations**

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

**27. Dividends**

The Board of Directors declared the payment of a first interim single tier dividend of 3.0 sen per share totalling RM5.4 million in respect of the financial year ending 31 December 2021, payable on 16 July 2021 to depositors registered in the Records of Depositors at close of business on 30 June 2021.

**28. Basic Earnings per Share**

	Current Quarter 31 Mar		Year to Date 31 Mar	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parents	<b>12,223</b>	19,833	<b>12,223</b>	19,833
Weighted average number of shares('000)	<b>180,000</b>	180,000	<b>180,000</b>	180,000
Basic Earnings per Share (sen)	<b>6.79</b>	11.02	<b>6.79</b>	11.02

**29. Authorisation for issue**

These interim financial statements and the accompanying notes were authorised for issue by the Board of Directors.

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

Pang Kah Man, MIA 18831  
Company Secretary