

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.09.2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2021 RM'000	CURRENT YEAR-TO-DATE 30.09.2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.09.2021 RM'000
Revenue	9	149,540	105,345	578,453	527,095
Cost of sales		(111,876)	(86,728)	(461,681)	(447,222)
Gross Profit		37,664	18,617	116,772	79,873
Other operating income	23	6,917	1,316	13,370	3,516
Operating expenses	24	(16,273)	(11,908)	(51,316)	(46,727)
Profit from operations		28,308	8,025	78,826	36,662
Finance costs		(236)	(270)	(824)	(799)
Profit before taxation		28,072	7,755	78,002	35,863
Taxation	20	(6,525)	(2,655)	(18,730)	(8,956)
Profit for the period		21,547	5,100	59,272	26,907
Other comprehensive income for the period, net of tax item that will not be reclassified subsequently to profit or loss					
Revaluation surplus on property, plant and equipment		-	-	-	-
Total comprehensive income for the period		21,547	5,100	59,272	26,907
Profit/(Loss) attributable to:					
Owners of the Parent		21,186	5,081	57,962	25,154
Non-Controlling Interest		361	19	1,310	1,753
		21,547	5,100	59,272	26,907
Total comprehensive income attributable to:					
Owners of the Parent		21,186	5,081	57,962	25,154
Non-Controlling Interest		361	19	1,310	1,753
		21,547	5,100	59,272	26,907
Earnings per share attributable to owners of the Parent (sen)					
Basic(*)	29	3.92	0.94*	10.73	4.66*
Diluted		-	-	-	-
		3.92	0.94*	10.73	4.66*

* Based on the enlarged share capital of 539,999,964 shares after the Proposed Bonus Issue on 1 July 2022.

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 2021 and the accompanying notes as attached.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

ASSETS	Note	AS AT END OF CURRENT QUARTER 30.09.2022 RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2021 RM'000 AUDITED
Non-current assets			
Property, plant and equipment		216,700	205,820
Investment property		345	351
Right- of- use assets		11,594	12,526
Intangible assets		2	3
Biological assets		4,611	4,444
		<u>233,252</u>	<u>223,144</u>
Current assets			
Inventories		92,803	151,876
Trade receivables		67,204	62,011
Other receivables		13,191	10,302
Tax assets		51	5,296
Derivatives financial instruments at fair value	22	-	344
Fixed deposits with licensed banks		101,263	70,109
Cash and bank balances		87,521	80,250
		<u>362,033</u>	<u>380,188</u>
TOTAL ASSETS		<u>595,285</u>	<u>603,332</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent:			
Share capital		90,000	90,000
Reserves		388,498	350,515
		<u>478,498</u>	<u>440,515</u>
Non-controlling interest		5,987	5,391
TOTAL EQUITY		<u>484,485</u>	<u>445,906</u>
Non-current liabilities			
Borrowings	21	13,558	4,273
Lease liabilities		6,763	6,188
Deferred taxation		20,395	20,487
		<u>40,716</u>	<u>30,948</u>
Current Liabilities			
Payables		50,855	97,676
Derivatives financial instruments at fair value	22	-	-
Short-term borrowings	21	6,438	22,628
Lease liabilities		4,592	6,114
Provision for taxation		8,199	60
		<u>70,084</u>	<u>126,478</u>
TOTAL LIABILITIES		110,800	157,426
TOTAL EQUITY AND LIABILITIES		<u>595,285</u>	<u>603,332</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 2021 and the accompanying explanatory notes as attached.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	-----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 2022	90,000	40,787	309,728	440,515	5,391	445,906
Total comprehensive income for the period			57,962	57,962	1,310	59,272
Share issue expenses			(161)	(161)	-	(161)
Dividend paid			(19,818)	(19,818)	(714)	(20,532)
Balance as at 30 September 2022	<u>90,000</u>	<u>40,787</u>	<u>347,711</u>	<u>478,498</u>	<u>5,987</u>	<u>484,485</u>
Balance as at 1 January 2021	90,000	41,544	286,501	418,045	2,723	420,768
Total comprehensive income for the period			37,770	37,770	2,668	40,438
Transfer between reserves	(757)		757	-	-	-
Dividend paid			(15,300)	(15,300)	-	(15,300)
Balance as at 31 December 2021	<u>90,000</u>	<u>40,787</u>	<u>309,728</u>	<u>440,515</u>	<u>5,391</u>	<u>445,906</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 2021 and the accompany explanatory notes as attached.

LII HEN INDUSTRIES BHD (Company No: 199401015681/301361-U)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Unaudited Current Period- To-Date 30 Sept 22 RM'000	Audited Preceding Year Ended 31 Dec 21 RM'000
Cash Flow From Operating Activities		
Profit before Taxation	78,002	52,506
Adjustments for:		
Depreciation and amortization of property, plant and equipment	8,794	11,144
Depreciation on right-of-use assets	5,323	6,496
Inventories written down to net realisable value	-	4,470
Interest expenses	824	1,060
Interest income	(1,468)	(1,736)
Biological assets written off	-	140
Gain on remeasurement and derecognition of right-of -use assets	(59)	(458)
Fair value changes of biological assets	-	(1,509)
(Gain)/Loss on disposal of property, plant and equipment	(11)	(26)
Unrealised foreign exchange (gain) /loss	(3,682)	1,065
Net fair value loss/(gain) on financial instruments measured at fair value	-	(344)
Fixed assets written off	-	4
Operating profit before working capital changes	<u>87,723</u>	<u>72,812</u>
Decrease/(Increase) in inventories	59,073	(9,930)
(Increase)/Decrease in receivables	(4,400)	10,820
Decrease in payables	(46,821)	(24,971)
Cash generated from operations	<u>95,575</u>	<u>48,731</u>
Interest paid	(824)	(1,060)
Tax paid	(8,712)	(17,393)
Tax refunded	3,273	59
Realisation of derivative financial instruments	344	1,392
Net cash from operating activities	<u>89,656</u>	<u>31,729</u>
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(19,668)	(23,147)
Payment for biological assets	(169)	(277)
Proceeds from disposal of property, plant and equipment	11	210
Interest income	1,468	1,791
Net cash used in investing activities	(18,358)	(21,423)
Cash Flow From Financing Activities		
Net changes in bankers' acceptances	(16,904)	(4,163)
Repayment of term loans and hire purchase creditors	(1,413)	(937)
Repayment of lease liabilities	(5,277)	(6,110)
Dividend paid	(19,818)	(15,300)
Changes in pledged short-term deposits	-	25
Term loan draw-down	11,413	4,467
Dividend paid to non-controlling interest	(714)	-
Share issue expenses	(161)	-
Net cash used in financing activities	(32,874)	(22,018)
Net changes in Cash and Cash Equivalents	<u>38,424</u>	<u>(11,712)</u>
Cash and Cash Equivalents Brought Forward	147,819	159,531
Cash and Cash Equivalents Carried Forward	<u><u>186,243</u></u>	<u><u>147,819</u></u>
Cash and cash equivalents carried forward consist of:		
Cash and bank balances	188,783	150,359
Bank overdraft	-	-
	<u>188,783</u>	<u>150,359</u>
Less: Fixed deposit pledged for bank facilities	(2,540)	(2,540)
	<u><u>186,243</u></u>	<u><u>147,819</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 2021 and the accompanying explanatory notes as attached.

NOTES TO THE QUARTERLY CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

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 2021. 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 2021.

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 2021, except for the adoption of the following Amendments to Malaysian Financial Reporting Standards (“MFRS”) for the financial periods beginning on or after 1 January 2022:

(a) Adoption of amendments to MFRSs

- | | |
|------------|--|
| - MFRS 3 | Reference to the Conceptual Framework |
| - MFRS 9 | Financial Instruments (Annual Improvement to MFRS Standards 2018-2020) |
| - MFRS 116 | Property, Plant and Equipment – Proceeds before Intended Use |
| -MFRS 137 | Onerous Contracts – Cost of Fulfilling a Contract |

The adoption of the above-mentioned amendments did not have any significant impact on the financial statements of the Group for the quarter under review.

(b) Amendments to MFRSs issued but not yet effective and not early adopted by the Group are as listed below:

- | | |
|------------|---|
| - MFRS 101 | Classification of Liabilities as Current or Non-current |
| - MFRS 101 | Disclosure of Accounting Policies |
| - MFRS 108 | Definition of Accounting Estimate |

It is anticipated that the adoption of the above-mentioned amendments will not have any significant impact on the financial statements of the Group.

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 2021.

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 30 September 2022.

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 September 2022.

8. Dividend Paid

The dividends paid during the financial period were as follow: -

Type of dividend	Dividend per share	For the year ended	Amount RM'000	Entitlement Date	Payment Date
Third interim single tier	3.5 sen	31.12.2021	6,300	09.03.2022	25.03.2022
First interim single tier	4.0 sen	31.12.2022	7,200	15.06.2022	29.06.2022
Second interim single tier *	1.17 sen	31.12.2022	6,318	14.09.2022	29.09.2022

* Based on enlarged share capital of 539,999,964 shares after the Proposed Bonus Issue on 1 July 2022.

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9. Segmental Reporting

The Group has the following reportable segments: -

2022	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
Revenue								
Total revenue	149,919	580,261	-	-	7,404	22,876	157,323	603,137
Inter-segment revenue	(379)	(1,808)	-	-	(7,404)	(22,876)	(7,783)	(24,684)
Revenue from external customers	149,540	578,453	-	-	-	-	149,540	578,453
Interest income	540	1,166	-	-	120	302	660	1,468
Finance costs	(231)	(811)	(5)	(13)	-	-	(236)	(824)
Net finance (costs)/income	309	355	(5)	(13)	120	302	424	644
Depreciation of property, plant and equipment and right-of-use assets	4,863	14,020	32	96	-	1	4,895	14,117
Segment profit/(loss) before tax	28,110	78,408	(54)	(279)	16	(127)	28,072	78,002
Additions to non-current assets	2,304	19,668	92	169	-	-	2,396	19,837
Segment assets		570,966		6,618		17,701		595,285
Segment liabilities		110,444		316		40		110,800

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The Group has the following reportable segments: -

2021	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
Revenue								
Total Revenue	105,429	528,311	-	-	-	15,601	105,429	543,912
Inter-segment revenue	(84)	(1,216)	-	-	-	(15,601)	(84)	(16,817)
Revenue from external customers	105,345	527,095	-	-	-	-	105,345	527,095
Interest income	339	1,037	-	-	94	283	433	1,320
Finance cost	(265)	(786)	(5)	(13)	-	-	(270)	(799)
Net finance (costs)/income	74	251	(5)	(13)	94	283	163	521
Depreciation of property, plant and equipment and right-of-use assets	4,397	12,987	32	96	-	-	4,429	13,083
Segment profit/(loss) before tax	8,016	36,344	(129)	(257)	(132)	(224)	7,755	35,863
Additions to non-current assets	9,272	18,091	59	220	-	-	9,331	18,311
Segment assets		525,588		5,033		18,479		549,100
Segment liabilities		113,725		298		2		114,025

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

	3 rd Quarter Ended		Year-to-Date	
	30 Sept		30 Sept	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Africa	1,016	151	1,383	365
Asia	5,801	224	14,203	2,263
North America	135,160	102,529	534,437	505,345
Australia	542	63	1,151	455
Europe	360	295	498	412
Malaysia	6,661	2,083	26,781	18,255
	149,540	105,345	578,453	527,095

As at end of the reporting quarter, there were two (2) (2021: 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 2021, and there were no revaluations of properties, plant and equipment for the period ended 30 September 2022.

11. Material events subsequent to the end of the period

There were no material events subsequent to 30 September 2022 and up to the date of this announcement.

12. Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 30 September 2022.

13. Changes in contingent liabilities

There were no contingent liabilities as at the end of the quarter under review and the date of this report.

14. Capital Commitment

Authorised capital expenditure not provided for in the interim financial report as at 30 September 2022 were as follows:

Authorised and contracted but not provided for:	RM'000
Construction of factory building	646
Purchase of leasehold land	<u>1,532</u>

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15. Recurrent Related Party Transactions

Subsidiaries of the Company	Transacting Parties	Relationship	Nature of Transactions	Current Quarter Ended 30.09.22 RM	Cumulative Quarter Ended 30.09.22 RM
Favourite Design Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person	Provide sub-contract services	144,833	924,468
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng has interest	Renting of building	72,090	216,270
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng has interest	Renting of building	74,430	99,240
Favourite Design Sdn Bhd	T-Home Furniture Industry Sdn Bhd	A company in which Joey Tok Siew Tin ⁽¹⁾ , has interest	Selling of furniture parts	-	2,898
Mayteck Kilang Kayu dan Perabut Sdn Bhd	T-Home Furniture Industry Sdn Bhd	A company in which Joey Tok Siew Tin ⁽¹⁾ , has interest	Selling of furniture parts	5,167	51,261
LSG Furniture Sdn Bhd	Hong Tat Furniture Sdn Bhd	A company in which Sia Chee Shong ⁽²⁾ is a connected person	Provide sub-contract services	114,174	180,400
EF Furniture Sdn Bhd	T Fields Trading	A company in which Tan Bee Eng is a connected person	Provide printing services	141,495	711,740
LSG Furniture Sdn Bhd	LHE Resources Sdn Bhd	A company in which Chua Yong Haup, Tan Bee Eng and Tok Heng Leong have interest	Renting of building	185,845	505,647
CT Haup Heng Sdn Bhd	T-Home Furniture Industry Sdn Bhd	A company in which Joey Tok Siew Tin ⁽¹⁾ has interest	Selling of furniture parts	28,000	28,000
CT Haup Heng Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person	Provide sub-contract services	46,400	46,400

Note ⁽¹⁾ Joey Tok Siew Tin is the Group Senior Manager and sister to Tok Heng Leong

⁽²⁾ Sia Chee Shong is a Director of LSG Furniture Sdn Bhd

The above recurrent related party transactions for the period under review were entered into based on normal commercial terms.

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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 (3rd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	30.09.22	30.09.21		30.09.22	30.09.21	
	RM'000	RM'000	RM'000	RM'000		
Revenue	149,540	105,345	41.95%	578,453	527,095	9.74%
Profit before tax	28,072	7,755	261.99%	78,002	35,863	117.50%
Profit before tax margin (%)	18.77	7.36	155.03%	13.48	6.80	98.23%
Profit after tax	21,547	5,100	322.49%	59,272	26,907	120.28%
Profit attributable to Ordinary Equity of the Parent	21,186	5,081	316.97%	57,962	25,154	130.43%

(a) Current Quarter vs. Preceding Year Corresponding Quarter

Due to the low base effect and stronger USD in the current quarter, the Group's turnover grew 41.95%. In the preceding year corresponding quarter, the full movement control orders ("FMCO") were still enforced where the Group's operations were substantially shut down for almost 10 weeks, resulting in lower revenue generated.

The Group's profit before tax recorded a significant increase of 262% as compared to the preceding year corresponding quarter. The higher pre-tax profit was mainly attributed to the continued appreciation of USD against RM by 7% (3rd qtr. 2022: 4.4755, 3rd qtr. 2021: 4.1842) and better utilization of production capacity following the lifting of FMCO by the government.

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

The Group's turnover for the 9 months ended 30 September 2022 increased by 9.74% as compared to preceding year corresponding period. This was mainly due to the lifting of FMCO during the period under review, whilst the operations of the Group were impacted from a series of mandatory shut-down for about 4 months in the preceding corresponding period. Notwithstanding the above, the Group's turnover for the 9-month period under review was sluggish, largely due to the disruptive supply chain and the high inventory stock level position maintained by the US furniture importers that caused shipments to be delayed or postponed.

The Group's profit before tax, however increased substantially by 117% due to appreciation of average USD rate against RM by 4.53% (2022: 4.2948; 2021: 4.1085) and relatively lower cost of raw materials used as compared to preceding corresponding period.

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17 Variation of Results Against Preceding Quarter

Description	3rd Qtr. 2022	2 nd Qtr. 2022	Changes	
	RM'000	RM'000	RM'000	%
Revenue	149,540	186,983	(37,443)	(20.02%)
Profit before tax	28,072	24,174	3,898	16.12%
Profit after tax	21,547	18,060	3,487	19.31%
Profit attributable to Ordinary Equity Holders of the Parent	21,186	17,802	3,384	19.01%

The Group's turnover declined by 20.02% as compared to the immediate preceding quarter, mainly due to lower sales volume of all the Group's products in the current quarter, as explained in 16(b).

Despite the significant drop in revenue of 20%, the Group's profit before tax recorded an increase of 16.12% mainly due to the continued appreciation of USD against RM in the current quarter by 3.39%. (3rd qtr. 2022: 4.4755, 2nd qtr. 2022: 4.3289).

18. Current year prospects

With the worsening global economic outlook, caused by uncertainties from the on-going Russia-Ukraine conflict, aggressive interest rate hikes by major central banks to combat inflationary pressures and prevailing Covid-19 uncertainties in Mainland China, the global demand for goods is likely to wane. On the local front, the shortage of manpower, together with implementation of the new minimum wage rate and sluggish orders from customers continue to exert pressure on the manufacturing sector, including the Group's operations. Notwithstanding this, the strengthening of the USD would provide a cushion against such adversities.

The Board of Directors, together with Management, being mindful of such challenges faced by the Group, will continue to exercise vigilance in decision-making to sustain business viability with the view to enhance long-term shareholder value. With a largely controllable cost structure in place, a wider market-base for the Group's products and rationalisation on the use of available workforce, and barring any unforeseen circumstances, the Board is of the view that the Group will remain profitable for the remainder of financial year 2022.

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 30.09.2022 RM'000	Preceding Quarter 30.09.2021 RM'000	Current Year- to-Date 30.09.2022 RM'000	Corresponding Year-to-Date 30.09.2021 RM'000
Current taxation				
- provision for the period	6,386	2,812	18,136	8,979
- under-provision for prior years	570	-	687	-
- deferred taxation	(431)	(157)	(93)	(23)
	<u>6,525</u>	2,655	<u>18,730</u>	8,956

The effective tax rate in relation to the Group's profit before taxation for the quarter and year-to-date under review approximates the statutory tax rate of 24%.

21. Borrowings and Debt Securities

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

	3rd Quarter Ended 30.09.2022 RM'000	Corresponding Year-to-Date 31.12.2021 RM'000
Short Term	RM'000	RM'000
Overdraft	-	-
Bankers' acceptances	4,220	21,124
Term loans	2,081	1,353
Hire purchase	<u>137</u>	<u>151</u>
Total	<u>6,438</u>	<u>22,628</u>
Long Term		
Term loans	13,230	3,845
Hire purchase	<u>328</u>	<u>428</u>
Total	<u>13,558</u>	<u>4,273</u>
Grand Total	<u>19,996</u>	<u>26,901</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 3.02% to 3.27% (2021: 2.40% to 2.50%) per annum.

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22. Financial Instruments - derivatives

There was no foreign currency forward contract entered into by the Group to hedge against its sales in foreign currencies as at 30 September 2022.

23. Other Operating Income/(Expenses)

Other operating income/(expenses) comprises the following:

	3rd Quarter Ended 30 September		Year-to-Date 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain/(loss)				
-realised	2,308	(626)	6,523	(624)
-unrealised	3,032	(183)	3,682	224
Gain on disposal of property, plant and equipment	-	-	11	22
Gain on remeasurement of Right-of-Use assets	20	135	59	431
Interest income	660	433	1,468	1,320
Fair value gain/(loss) on derivative financial instruments	372	554	-	49
Rental income	291	420	904	1,315
Sundry revenue	234	583	723	779
	6,917	1,316	13,370	3,516

24. Operating Expenses

The operating expenses include the following charges:

	3rd Quarter Ended		Year to Date	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation & amortization of property, plant and equipment and Right-of-Use assets	4,895	4,429	14,117	13,083
Interest expenses	236	270	824	799
Biological asset written off	-	71	-	71

25. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off-balance sheet risk as at 30 September 2022.

-continue

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 third single tier dividend of 1.35 sen per share on the enlarged share capital 539,999,964 totalling RM7.3 million in respect of the financial year ending 31 December 2022, payable on 30 December 2022 to depositors registered in the Records of Depositors at close of business on 15 December 2022.

28. Corporate Proposal

Alliance Islamic Bank Berhad, on behalf of LHIB, made two announcements, namely that a total of 359,999,976 Bonus Shares had been issued pursuant to the Bonus Issue Proposal and the said Proposal had been completed following the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities on 1 July 2022 and 4 July 2022 respectively.

29. Basic Earnings per Share

	3rd Quarter Ended		Year-to-Date	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parent	21,186	5,081	57,962	25,154
Weighted average number of shares in issue ('000)	540,000	540,000	540,000	540,000
Basic Earnings per Share (sen)	3.92	0.94*	10.73	4.66*

*Based on the enlarged issue capital of 539,999,964 shares after the Proposed Bonus Issue on 1 July 2022.

30. Authorisation for issue

These interim financial statements and the accompanying notes were authorised for issue by the Board of Directors on 24 November 2022.

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

Pang Kah Man, MIA 18831
Company Secretary