

**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 FOURTH QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31.12.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2022 RM'000	CURRENT YEAR-TO-DATE 31.12.2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2022 RM'000
<b>Revenue</b>	9	181,888	152,429	668,798	730,882
Cost of sales		(146,782)	(112,021)	(540,440)	(572,999)
<b>Gross Profit</b>		35,106	40,408	128,358	157,883
Other operating income/(expenses)	23	353	(4,100)	10,762	10,255
Operating expenses	24	(15,798)	(12,335)	(62,782)	(65,432)
<b>Profit from operations</b>		19,661	23,973	76,338	102,706
Finance costs		(434)	(254)	(1,371)	(985)
<b>Profit before taxation</b>		19,227	23,719	74,967	101,721
Taxation	20	(3,800)	(6,776)	(15,789)	(25,506)
<b>Profit for the period</b>		15,427	16,943	59,178	76,215
<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		28,900	-	28,900	-
<b>Total comprehensive income for the period</b>		44,327	16,943	88,078	76,215
<b>Profit attributable to:</b>					
Owners of the Parent		15,254	16,839	57,894	74,801
Non-Controlling Interest		173	104	1,284	1,414
		15,427	16,943	59,178	76,215
<b>Total comprehensive income attributable to:</b>					
Owners of the Parent		44,154	16,839	86,794	74,801
Non-Controlling Interest		173	104	1,284	1,414
		44,327	16,943	88,078	76,215
<b>Earnings per share attributable to owners of the Parent (sen)</b>					
Basic	28	2.82	3.12	10.72	13.85
Diluted		-	-	-	-
		2.82	3.12	10.72	13.85

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 2022 and the accompanying notes as attached.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

ASSETS	Note	AS AT END OF CURRENT QUARTER <b>31.12.2023</b> RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2022 RM'000 AUDITED
<b>Non-current assets</b>			
Property, plant and equipment		250,544	219,185
Investment property		335	343
Right-of-use assets		20,635	15,198
Biological assets		5,527	5,219
		277,041	239,945
<b>Current assets</b>			
Inventories		115,372	95,871
Trade receivables		70,657	55,152
Other receivables		10,320	15,905
Tax assets		1,057	209
Derivatives financial instruments at fair value	22	116	13
Fixed deposits with licensed banks		140,332	143,359
Cash and bank balances		69,653	75,487
		407,507	385,996
<b>TOTAL ASSETS</b>		684,548	625,941
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent:</b>			
Share capital		90,000	90,000
Reserves		446,122	398,208
		536,122	488,208
Non-controlling interest		6,711	5,952
<b>TOTAL EQUITY</b>		542,833	494,160
<b>Non-current liabilities</b>			
Borrowings	21	13,267	14,375
Lease liabilities		13,919	8,651
Deferred taxation		24,624	20,056
		51,810	43,082
<b>Current Liabilities</b>			
Payables		79,041	70,311
Derivatives financial instruments at fair value	22	-	-
Dividend payable		-	-
Short-term borrowings	21	4,209	3,032
Lease liabilities		6,655	6,330
Provision for taxation		-	9,026
		89,905	88,699
<b>TOTAL LIABILITIES</b>		141,715	131,781
<b>TOTAL EQUITY AND LIABILITIES</b>		684,548	625,941

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 2022 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 PERIOD ENDED 31 DECEMBER 2023**

	-----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 2023	90,000	40,030	358,178	488,208	5,952	494,160
Revaluation surplus		28,900	-	28,900	-	28,900
Profit for the period			57,894	57,894	1,284	59,178
Dividend paid			(38,880)	(38,880)	(525)	(39,405)
Balance as at 31 December 2023	<u>90,000</u>	<u>68,930</u>	<u>377,192</u>	<u>536,122</u>	<u>6,711</u>	<u>542,833</u>
Balance as at 1 January 2022	90,000	40,787	309,728	440,515	5,391	445,906
Total comprehensive income for the period			74,801	74,801	1,414	76,215
Transfer between reserves		(757)	757	-	-	-
Dividend paid			(27,108)	(27,108)	(853)	(27,961)
Balance as at 31 December 2022	<u>90,000</u>	<u>40,030</u>	<u>358,178</u>	<u>488,208</u>	<u>5,952</u>	<u>494,160</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 2022 and the accompanying explanatory notes as attached.**

**LII HEN INDUSTRIES BHD (Company No: 199401015681/301361-U)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR PERIOD ENDED 31 DEC 2023**

	Unaudited Current Period- To-Date <b>31 Dec 23</b> RM'000	Audited Preceding Year Ended 31 Dec 22 RM'000
<b>Cash Flow From Operating Activities</b>		
Profit before Taxation	74,967	101,721
Adjustments for:		
Depreciation and amortization of property, plant and equipment	12,114	11,990
Depreciation on Right-of-Use assets	7,064	7,140
Inventories written down to net realisable value	-	2,215
Interest expenses	1,371	985
Interest income	(6,850)	(2,765)
Gain on remeasurement and derecognition of right-of -use assets	(48)	(52)
Fair value changes of biological assets	17	(531)
Gain on disposal of property, plant and equipment	(876)	(11)
Unrealised foreign exchange loss	1,903	679
Net fair value gain on financial instruments measured at fair value	(116)	(13)
Fixed assets written off	16	24
Provision for doubtful debts	367	-
Operating profit before working capital changes	89,929	121,382
Decrease in inventories	(19,501)	53,790
(Increase)/decrease in receivables	(12,189)	527
Decrease in payables	8,728	(27,129)
Cash generated from operations	66,967	148,570
Interest paid	(1,371)	(985)
Tax paid	(26,990)	(15,158)
Tax refunded	17	3,273
Realisation of derivative financial instruments	13	344
Net cash from operating activities	38,636	136,044
<b>Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	(8,669)	(25,368)
Payment for biological assets	(325)	(244)
Proceeds from disposal of property, plant and equipment	1,221	11
Interest income	6,850	2,670
Net cash from/(used in) investing activities	(923)	(22,931)
<b>Cash Flow from Financing Activities</b>		
Net changes in bankers' acceptances	1,212	(20,136)
Repayment of term loans and hire purchase creditors	(2,108)	(1,920)
Repayment of lease liabilities	(6,860)	(7,079)
Dividend paid	(38,880)	(27,108)
Changes in pledged short-term deposits	-	(55)
Term loan draw-down	587	12,562
Dividend paid to non-controlling interest	(525)	(853)
Net cash used in financing activities	(46,574)	(44,589)
Net changes in Cash and Cash Equivalents	(8,861)	68,524
Cash and Cash Equivalents Brought Forward	216,252	147,728
Cash and Cash Equivalents Carried Forward	207,391	216,252
Cash and cash equivalents carried forward consist of:		
Cash and bank balances	209,985	218,846
Bank overdraft	-	-
	209,985	218,846
Less: Fixed deposit pledged for bank facilities	(2,594)	(2,594)
	207,391	216,252

**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 2022 and the accompanying explanatory notes as attached.**

**NOTES TO THE QUARTERLY CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023**

**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 2022. 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 2022.

**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 2022, except for the adoption of the following Amendments to Malaysian Financial Reporting Standards (“MFRSs”) for the financial periods beginning on or after 1 January 2023:

(a) Adoption of amendments to MFRSs

- MFRS 101	Disclosure of Accounting Policies
- MFRS 108	Disclosure of Accounting Estimates
- MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
-MFRS 112	International Tax Reform – Pillar Two Model Rules

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

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

- MFRS 16	Lease Liabilities in a Sale and Leaseback
- MFRS 101	Non-Current Liabilities with Covenants
- MFRS 101	Classification of Liabilities as Current or Non-current

- MRFS 16 and MFRS 107                      Supplier Finance Arrangements
- MFRS 121                              Lack of Exchangeability

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 2022.

### 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 December 2023.

### 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 December 2023.

### 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
Four interim single-tier	1.1 sen	31.12.2022	5,940	09.03.2023	24.03.2023
Special single-tier	2.0 sen	31.12.2022	10,800	09.03.2023	24.03.2023
First interim single-tier	1.3 sen	31.12.2023	7,020	15.06.2023	27.06.2023
Second interim single-tier	1.3 sen	31.12.2023	7,020	15.09.2023	29.09.2023
Third interim single-tier	1.5 sen	31.12.2023	8,100	15.12.2023	29.12.2023

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## 9. Segmental Reporting

The Group has the following reportable segments:

2023	Furniture Manufacturing		Plantation		Other		Group	
	4th Quarter	YTD	4th Quarter	YTD	4th Quarter	YTD	4th quarter	YTD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total revenue	183,940	674,933	-	-	9,118	42,332	193,058	717,265
Inter-segment revenue	(2,052)	(6,135)	-	-	(9,118)	(42,332)	(11,170)	(48,467)
Revenue from external customers	181,888	668,798	-	-	-	-	181,888	668,798
Interest income	1,826	6,110	-	-	209	740	2,035	6,850
Finance costs	(430)	(1,354)	(4)	(17)	-	-	(434)	(1,371)
Net finance (costs)/income	1,396	4,756	(4)	(17)	209	740	1,601	5,479
Depreciation of property, plant and equipment and right-of-use assets	5,004	19,046	33	132	-	-	5,037	19,178
Segment profit/(loss) before tax	19,415	75,528	(67)	(276)	(120)	(285)	19,227	74,967
Additions to non-current assets	5,343	8,641	103	336	-	-	5,446	8,977
Segment assets		659,889		7,344		17,315		684,548
Segment liabilities		141,380		143		192		141,715

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The Group has the following reportable segments:

2022	Furniture Manufacturing		Plantation		Other		Group	
	4th Quarter RM'000	YTD RM'000	4th Quarter RM'000	YTD RM'000	4th Quarter RM'000	YTD RM'000	4th Quarter RM'000	YTD RM'000
Revenue								
Total Revenue	153,540	733,801	-	-	8,734	31,610	162,274	765,411
Inter-segment revenue	(1,111)	(2,919)	-	-	(8,734)	(31,610)	(9,845)	(34,529)
Revenue from external customers	152,429	730,882	-	-	-	-	152,429	730,882
Interest income	1,081	2,294	-	-	169	471	1,250	2,765
Finance cost	(250)	(968)	(4)	(17)	-	-	(254)	(985)
Net finance (costs)/income	831	1,326	(4)	(17)	169	471	996	1,780
Depreciation of property, plant and equipment and right-of-use assets	4,834	18,998	32	128	1	2	4,867	19,128
Segment profit/(loss) before tax	23,429	101,837	415	136	(125)	(252)	23,719	101,721
Additions to non-current assets	5,453	25,318	125	294	-	-	5,578	25,612
Segment assets		600,953		7,145		17,843		625,941
Segment liabilities		131,155		372		254		131,781



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

	4th Quarter Ended 31 Dec		Year-to-Date 31 Dec	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Africa	129	211	1,583	1,595
Asia	3,036	1,366	9,403	15,569
North America	174,020	140,589	632,539	675,026
Australia	1,734	4,838	7,190	5,989
Europe	228	246	1,967	743
Malaysia	2,741	5,179	16,116	31,960
	<b>181,888</b>	152,429	<b>668,798</b>	730,882

As at end of the reporting quarter, there were three (3) (2022: 2) major customers with revenue equalling to or exceeding 10% of the Group's total revenue.

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

The properties, plant and equipment of the Group was revalued in 2023 and the revaluation surplus of RM28.9 million of the properties has been recognized for the period ended 31 December 2023.

#### 11. Material events after the end of the period

There were no material events after 31 December 2023 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 31 December 2023.

#### 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 31 December 2023 was as follows:

Authorised and contracted but not provided for:	RM'000
Purchase of leasehold land	<u>383</u>

## 15. Recurrent Related Party Transactions

Subsidiaries of the Company	Transacting Parties	Relationship	Nature of Transactions	Current Quarter Ended 31.12.23 RM	Cumulative Year Ended 31.12.23 RM
Favourite Design Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person	Provide sub-contract services	480,016	1,349,398
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng and Chua Yong Haup have interest	Renting of building	72,090	288,360
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng and Chua Yong Haup have interest	Renting of building	74,430	297,720
EF Furniture Sdn Bhd	T Fields Trading	A company in which Tan Bee Eng is a connected person	Provide printing services	364,688	1,154,602
CT Haup Heng Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person	Provide sub-contract services	68,880	237,796
Lii Hen Furniture Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng and Chua Yong Haup have interest	Renting of building	123,813	206,355
EF Furniture Sdn Bhd	Mr Tiger Enterprise	A company in which Tan Bee Eng is a connected person	Selling of products	-	69,515
Favourite Design Sdn Bhd	Comfy Factor Sdn Bhd	A company in which Chua Yong Haup is a connected person	Renting of building	183,621	244,828

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

## 16. Review of Performance of the Group

Financial review for current quarter and financial year-to-date is tabulated below: -

	Individual Period (4th Quarter)		Changes (%)	Cumulative Period		Changes (%)
	31.12.23	31.12.22		31.12.23	31.12.22	
	RM'000	RM'000		RM'000	RM'000	
Revenue	<b>181,888</b>	152,428	19.33%	<b>668,798</b>	730,882	(8.49%)
Profit before tax	<b>19,227</b>	23,719	(18.94%)	<b>74,967</b>	101,721	(26.30%)
Profit before tax margin (%)	<b>10.57</b>	15.56	(32.07%)	<b>11.21</b>	13.92	(19.47%)
Profit after tax	<b>15,427</b>	16,943	(8.95%)	<b>59,178</b>	76,215	(22.35%)
Profit attributable to Ordinary Equity of the Parent	<b>15,254</b>	16,839	(9.41%)	<b>57,894</b>	74,801	(22.60%)

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

All the subsidiaries recorded growth in revenue in the current quarter as compared to the preceding year corresponding quarter, except for dining set. The Group's revenue for the current quarter rebounded by 19% compared to the same quarter of last year.

Despite higher turnover, the Group's profit before tax dipped by 19%. The main reasons for the decrease were due to unfavourable variance in product mix, coupled with higher operating costs incurred, especially on labour-related charges, i.e., wages, increase in workers headcount, and sub-contractors' charges.

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

The prolonged effects of inflation, coupled with interest rates at all-time high in the Group's traditional market, had affected home sales transactions and buyers purchasing power, consequentially, dampening demand for furniture. The sluggish demand resulted in the Group's turnover for the current period declining by 8.5% as compared to preceding year corresponding period.

The Group's profit before tax decreased by 26% as compared to the preceding year corresponding period. The main contributing factors were lower revenue generated and higher operating costs incurred, especially on labour-related charges, recruitment cost, exhibition and promotional expenses incurred in the current period.

## 17 Variation of Results Against Preceding Quarter

Description	4 <sup>th</sup> Qtr. 2023 RM'000	3rd Qtr. 2023 RM'000	Changes	
			RM'000	%
Revenue	<b>181,888</b>	167,894	13,994	8.3%
Profit before tax	<b>19,227</b>	18,486	741	4.0%
Profit after tax	<b>15,427</b>	15,365	62	0.4%
Profit attributable to Ordinary Equity Holders of the Parent	<b>15,254</b>	14,738	516	3.5%

For the current quarter, the Group recorded higher revenue than that of the immediate preceding quarter. All the products registered growth except for dining set.

Despite higher turnover, the Group's profit before tax for the current quarter improved marginally by 4% as compared to that of the immediate preceding quarter due to higher operating costs, in particular workers' overtime claims.

## 18. Current year prospects

Accordance to the World Economic Outlook update, global growth is projected at 3.1 percent in 2024, on account of greater than expected resilience in the United States and other developing economies, as well as fiscal support in China. With disinflation currently experienced in many countries, especially in U.S, interest rates cut may take place in the current year. However, down side risks remain where commodity price spikes from geopolitical shocks, including the continued skirmishes in the Red Sea and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions.

On the local front, declining orders from customers and rising labour costs continue to exert pressure on the Group's operations. The Board of Directors, together with Management, being mindful of such challenges faced by the Group, remains steadfast and will exercise vigilance in decision-making to sustain business viability with a view to enhance long-term shareholder value. With a generally controllable cost structure in place, a wider market-base for the Group's products and rationalisation on the use of resources, especially available workforce, the Board remains positive that the Group is well positioned towards meeting prevailing challenges in 2024 in its quest to create shareholder value.

## 19. Profit forecast

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

## 20. Taxation

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

	<b>Current Quarter 31.12.2023 RM'000</b>	Preceding Quarter 31.12.2022 RM'000	<b>Current Year- to-Date 31.12.2023 RM'000</b>	Corresponding Year-to-Date 31.12.2022 RM'000
Current taxation				
- provision for the period	<b>5,606</b>	6,842	<b>19,135</b>	25,621
- (over) provision in prior years	-	317	<b>(2,035)</b>	317
Deferred taxation - origination and reversal of temporary differences for the period	<b>(1,806)</b>	(383)	<b>(1,310)</b>	(432)
	<b><u>3,800</u></b>	<u>6,776</u>	<b><u>15,789</u></b>	<u>25,506</u>

The effective tax rate in relation to the Group's profit before taxation for the quarter and year-to-date under review is higher than the statutory tax rate of 24% mainly due to tax losses in certain subsidiaries of which deferred tax credit has not been recognized.

## 21. Borrowings and Debt Securities

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

	<b>4th Quarter Ended 31.12.2023 RM'000</b>	Corresponding Year-to-Date 31.12.2022 RM'000
<b>Short Term</b>	<b>RM'000</b>	<b>RM'000</b>
Overdraft	-	-
Bankers' acceptances	<b>2,200</b>	988
Term loans	<b>1,800</b>	1,883
Hire purchase	<b>209</b>	161
Total	<b><u>4,209</u></b>	<u>3,032</u>
<b>Long Term</b>		
Term loans	<b>12,967</b>	14,110
Hire purchase	<b>300</b>	265
Total	<b><u>13,267</u></b>	<u>14,375</u>
Grand Total	<b><u>17,476</u></b>	<u>17,407</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 3.77% to 4.27% (2022: 3.55% to 3.60%) per annum.

## 22. Financial Instruments - derivatives

As at 31 December 2023, the foreign currency contracts which were entered by the Group to hedge against its sales in foreign currencies are as follows:

Forward Foreign Currency Contracts	Contracts Value (RM'000)	Fair Value (RM'000)	Changes in Fair Value (RM'000)
US Dollar – less than 1 year	4,248	4,132	116

Derivative financial assets and liabilities are initially recognized, 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.

The forward foreign currency contracts of the Group are measured at fair value and changes in the fair value are recognized in profit or loss.

## 23. Other Operating Income/(Expenses)

Other operating income/(expenses) comprise the following:

	4th Quarter Ended 31 Dec		Year-to-Date 31 Dec	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain/(loss)				
-realised	(602)	(2,103)	2,140	4,517
-unrealised	(2,402)	(4,361)	(1,903)	183
Gain on disposal of property, plant and equipment	85	-	876	11
Gain on remeasurement of Right-of-Use assets	15	7	48	52
Interest income	2,035	1,250	6,850	2,765
Fair value gain/(loss) on derivative financial instruments	344	13	116	13
Fair value gain/(loss) of biological asset	(17)	531	(17)	531
Rental income	579	321	1,715	1,270
Sundry revenue	316	242	937	913
	<b>353</b>	<b>(4,100)</b>	<b>10,762</b>	<b>10,255</b>

## 24. Operating Expenses

The operating expenses include the following charges:

	4 <sup>th</sup> Quarter Ended		Year to Date	
	31 Dec		31 Dec	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization of property, plant and equipment and Right-of-Use assets	5,037	4,867	19,178	19,128
Interest expenses	434	254	1,371	985
Property, plant and equipment written off	-	23	16	24
Inventories written down to net realizable value	-	2,215	-	2,215

## 25. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off-balance sheet risk as at 31 December 2023.

## 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 fourth interim single tier dividend of 2.0 sen on the enlarged share capital of 539,999,964 totalling RM10.8 million in respect of the financial year ending 31 December 2023, payable on 26 March 2024 to depositors registered in the Records of Depositors at close of business on 12 March 2024.

## 28. Basic Earnings per Share

	4th Quarter Ended		Year-to-Date	
	31 Dec		31 Dec	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parent	15,254	16,839	57,894	74,801
Weighted average number of shares in issue ('000)	540,000	540,000	540,000	540,000
Basic Earnings per Share (sen)	2.82	3.12	10.72	13.85

**29. Authorisation for issue**

These interim financial statements and the accompanying notes were authorised for issue by the Board of Directors on 23 February 2024.

For and on behalf of the Board

Lii Hen Industries Bhd.

Pang Kah Man, MIA 18831

Company Secretary