

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 SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2023 RM'000	CURRENT YEAR-TO-DATE 30.06.2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30.06.2023 RM'000
Revenue	9	149,096	168,221	339,910	319,015
Cost of sales		(126,004)	(136,306)	(285,253)	(255,011)
Gross Profit		23,092	31,915	54,657	64,004
Other operating income/(expenses)	23	2,348	5,311	7,081	7,061
Operating expenses	24	(14,373)	(18,023)	(31,910)	(33,219)
Profit from operations		11,067	19,203	29,828	37,846
Finance costs		(495)	(291)	(935)	(593)
Profit before taxation		10,572	18,912	28,893	37,253
Taxation	20	(3,386)	(4,579)	(7,569)	(8,868)
Profit for the period		7,186	14,333	21,324	28,385
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		7,186	14,333	21,324	28,385
Profit attributable to:					
Owners of the Parent		7,010	14,121	20,625	27,902
Non-Controlling Interest		176	212	699	483
		7,186	14,333	21,324	28,385
Total comprehensive income attributable to:					
Owners of the Parent		7,010	14,121	20,625	27,902
Non-Controlling Interest		176	212	699	483
		7,186	14,333	21,324	28,385
Earnings per share attributable to owners of the Parent (sen)					
Basic	28	1.30	2.62	3.82	5.17
Diluted		-	-	-	-
		1.30	2.62	3.82	5.17

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 2023 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 JUNE 2024

ASSETS	Note	AS AT END OF CURRENT QUARTER 30.06.2024 RM'000 UNAUDITED	AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2023 RM'000 AUDITED
Non-current assets			
Property, plant and equipment		243,544	245,030
Investment property		10,283	10,335
Right-of-use assets		23,681	20,633
Biological assets		5,696	5,527
		<u>283,204</u>	<u>281,525</u>
Current assets			
Inventories		117,193	115,372
Trade receivables		56,201	71,547
Other receivables		19,889	21,952
Tax assets		3,545	1,262
Derivatives financial instruments at fair value	22	-	116
Fixed deposits with licensed banks		148,245	136,985
Cash and bank balances		48,998	73,340
		<u>394,071</u>	<u>420,574</u>
TOTAL ASSETS		<u>677,275</u>	<u>702,099</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent:			
Share capital		90,000	90,000
Reserves		452,634	449,829
		<u>542,634</u>	<u>539,829</u>
Non-controlling interest		6,724	6,470
TOTAL EQUITY		<u>549,358</u>	<u>546,299</u>
Non-current liabilities			
Borrowings	21	12,796	13,276
Lease liabilities		16,045	13,792
Deferred taxation		25,200	24,877
		<u>54,041</u>	<u>51,945</u>
Current Liabilities			
Payables		54,050	91,570
Derivatives financial instruments at fair value	22	20	-
Dividend payable		7,020	-
Short-term borrowings	21	4,510	4,539
Lease liabilities		7,741	6,782
Provision for taxation		535	964
		<u>73,876</u>	<u>103,855</u>
TOTAL LIABILITIES		127,917	155,800
TOTAL EQUITY AND LIABILITIES		<u>677,275</u>	<u>702,099</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 2023 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 30 JUNE 2024

	-----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 2024	90,000	65,884	383,945	539,829	6,470	546,299
Profit for the period			20,625	20,625	699	21,324
Dividend paid/payable			(17,820)	(17,820)	(445)	(18,265)
Balance as at 30 June 2024	<u>90,000</u>	<u>65,884</u>	<u>386,750</u>	<u>542,634</u>	<u>6,724</u>	<u>549,358</u>
Balance as at 1 January 2023	90,000	40,030	358,178	488,208	5,952	494,160
Profit for the financial year			59,150	59,150	1,042	60,192
Revaluation surplus of property, plant and equipment, net of deferred tax		31,351	-	31,351	-	31,351
Transfer between reserves:						
Depreciation transfer on revalued land & buildings		(757)	757			
Transfer (to)/from upon change in use		(4,740)	4,740			
		(5,497)	5,497			
Dividend paid			(38,880)	(38,880)	(524)	(39,404)
Balance as at 31 December 2023	<u>90,000</u>	<u>65,884</u>	<u>383,945</u>	<u>539,829</u>	<u>6,470</u>	<u>546,299</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 2023 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 30 JUNE 2024

	Unaudited Current Period- To-Date 30 June 24 RM'000	Audited Preceding Year Ended 31 Dec 23 RM'000
Cash Flow From Operating Activities		
Profit before Taxation	28,893	76,454
Adjustments for:		
Depreciation and amortization of property, plant and equipment	6,186	12,264
Depreciation on right-of-use assets	4,277	7,066
Adjustment of property, plant and equipment	-	(1,647)
Inventories written down to net realisable value	-	2,051
Interest expense	935	1,371
Interest income	(3,083)	(6,850)
Gain on remeasurement and derecognition of right-of -use assets	(32)	(48)
Fair value changes in biological assets	-	(17)
Gain on disposal of property, plant and equipment	(92)	(876)
Unrealised foreign exchange (gain)/loss	(124)	1,903
Net fair value loss/(gain) on financial instruments measured at fair value	20	(116)
Property, plant and equipment written off	13	16
Provision for doubtful debts	-	367
	<u>36,993</u>	<u>91,938</u>
Operating profit before working capital changes		
Increase in inventories	(1,822)	(21,552)
Decrease/(Increase) in receivables	17,533	(23,813)
(Decrease)/increase in payables	(37,520)	21,272
	<u>15,184</u>	<u>67,845</u>
Cash generated from operations		
Interest paid	(935)	(1,371)
Tax paid	(9,958)	(26,990)
Tax refunded	-	17
Realisation of derivative financial instruments	116	12
Net cash from operating activities	<u>4,407</u>	<u>39,513</u>
Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(4,897)	(8,866)
Payment for biological assets	(169)	(291)
Interest income	3,083	1,221
Proceeds from disposal of property, plant and equipment	329	6,685
	<u>(1,654)</u>	<u>(1,251)</u>
Net cash used in investing activities		
Cash Flow from Financing Activities		
Net changes in bankers' acceptances	421	1,212
Term loan drawdown	383	-
Repayment of term loans and hire purchase creditors	(974)	(1,521)
Repayment of lease liabilities	(4,080)	(6,860)
Dividend paid	(10,800)	(38,880)
Changes in pledged short-term fixed deposits	-	(51)
Dividend paid to non-controlling interest	(445)	(524)
	<u>(15,495)</u>	<u>(46,624)</u>
Net cash used in financing activities		
Net changes in Cash and Cash Equivalents	<u>(12,742)</u>	<u>(8,362)</u>
Cash and Cash Equivalents Brought Forward	207,340	215,702
Cash and Cash Equivalents Carried Forward	<u>194,598</u>	<u>207,340</u>
Cash and cash equivalents carried forward consist of:		
Cash and bank balances (including fixed deposits)	197,243	210,324
Bank overdraft	-	(339)
	<u>197,243</u>	<u>209,985</u>
Less: Fixed deposits pledged for bank facilities	(2,645)	(2,645)
	<u>194,598</u>	<u>207,340</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 2023 and the accompanying explanatory notes as attached.

NOTES TO THE QUARTERLY CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

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 2023, except for the adoption of the following Amendments to Malaysian Financial Reporting Standards (“MFRSs”) for the financial periods beginning on or after 1 January 2024:

(a) Adoption of amendments to MFRSs

- MFRS 7 AND MFRS 107 Supplier Finance Arrangements
- MFRS 16 Lease Liability in a Sale and Leaseback
- MFRS 101 Classification of Liabilities as Current or Non-current
- MFRS 101 Non-current Liabilities with Covenants

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 MFRS issued but not yet effective and not early adopted by the Group are as listed below:

- MFRS 121 Lack of Exchangeability
- MFRS 9 and MFRS 7 Classification and Measurement of Financial Instruments
- MFRS 18 Presentation and Disclosures in Financial Statements
- MFRS 19 Subsidiaries without Public Accountability

It is anticipated that the adoption of the above-mentioned amendments, insofar as they are applicable to the Group's business, 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 2023.

4. Seasonal or cyclical factors

The principal business operations of the Group have historically shown moderate seasonality, where the production and sale of furniture are generally lower at the beginning of the calendar year due to festive periods.

5. Items of Unusual Nature

There were no unusual items affecting the Group's assets, liabilities, equity, net income, or cash flows for the financial period ended 30 June 2024.

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 2024.

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
Four interim single-tier	2.0 sen	31.12.2023	10,800	12.03.2024	26.03.2024

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9. Segmental Reporting

The Group has the following reportable segments:

2024	Furniture Manufacturing		Plantation		Other		Group	
	2 nd Quarter	YTD	2 nd Quarter	YTD	2 nd Quarter	YTD	2 nd quarter	YTD
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total revenue	149,841	344,074	-	-	8,400	20,259	158,241	364,333
Inter-segment revenue	(745)	(4,164)	-	-	(8,400)	(20,259)	(9,145)	(24,423)
Revenue from external customers	149,096	339,910	-	-	-	-	149,096	339,910
Interest income	1,388	2,766	-	-	150	317	1,538	3,083
Finance costs	(491)	(927)	(4)	(8)	-	-	(495)	(935)
Net finance (costs)/income	897	1,839	(4)	(8)	150	317	1,043	2,148
Depreciation of property, plant and equipment and right-of-use assets	5,188	10,394	35	69	-	-	5,223	10,463
Segment profit/(loss) before tax	10,710	29,055	(70)	(132)	(68)	(30)	10,572	28,893
Additions to non-current assets	3,802	4,897	75	169	-	-	3,877	5,066
Segment assets		648,353		7,407		21,515		677,275
Segment liabilities		120,590		304		7,023		127,917

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The Group has the following reportable segments:

2023	Furniture Manufacturing		Plantation		Other		Group	
	2 nd Quarter RM'000	YTD RM'000	2 nd Quarter RM'000	YTD RM'000	2 nd Quarter RM'000	YTD RM'000	2 nd Quarter RM'000	YTD RM'000
Revenue								
Total Revenue	169,348	320,632	-	-	7,871	25,506	177,219	346,138
Inter-segment revenue	(1,127)	(1,617)	-	-	(7,871)	(25,506)	(8,998)	(27,123)
Revenue from external customers	168,221	319,015	-	-	-	-	168,221	319,015
Interest income	1,412	2,735	-	-	176	352	1,588	3,087
Finance cost	(287)	(585)	(4)	(8)	-	-	(291)	(593)
Net finance (cost)/income	1,125	2,150	(4)	(8)	176	352	1,297	2,494
Depreciation of property, plant and equipment and right-of-use assets	4,664	9,364	33	66	-	-	4,697	9,430
Segment profit/(loss) before tax	19,034	37,484	(80)	(145)	(42)	(86)	18,912	37,253
Additions to non-current assets	1,049	1,943	88	137	-	-	1,137	2,080
Segment assets		595,517		7,224		17,296		620,037
Segment liabilities		121,182		308		6		121,496

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

	2 nd Quarter Ended		Year-to-Date	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Africa	130	575	938	797
Asia	2,563	1,712	4,844	3,957
North America	138,673	159,395	320,213	300,439
Australia	1,757	986	4,279	2,847
Europe	554	427	1,220	720
Malaysia	5,419	5,126	8,416	10,255
	149,096	168,221	339,910	319,015

As at end of the reporting quarter, there were 3 (2023: 3) major customers with each of them contributing 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 were revalued in 2023 has been brought forward from the audited financial statements for the year ended 31 December 2023, and there were no revaluations of properties, plant and equipment for the period ended 30 June 2024.

11. Material events after the end of the period

There were no material events after 30 June 2024 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 June 2024.

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 June 2024 was as follows:

Authorised and contracted but not provided for:	RM'000
Purchase of plant and machinery	<u>1,850</u>

15. Recurrent Related Party Transactions

Subsidiaries of the Company	Transacting Parties	Relationship	Nature of Transactions	Current Quarter Ended 30.06.24 RM	Cumulative Year Ended 30.06.24 RM
Favourite Design Sdn Bhd	Double Soon Huat Enterprise	A company in which Chua Yong Haup is a connected person	Provide sub-contract services	502,375	984,369
Favourite Design Sdn Bhd	NNST Capital Sdn Bhd	A company in which Tan Bee Eng and Chua Yong Haup have interest	Renting of building	155,258	301,778
EF Furniture Sdn Bhd	T Fields Trading	A company in which Tan Bee Eng is a connected person	Provide printing services	339,946	599,641
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	266,492	532,984
Favourite Design Sdn Bhd	Comfy Factor Sdn Bhd	A company in which Chua Yong Haup is a connected person	Renting of building	183,621	367,242

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 (1st Quarter)		Changes (%)	Cumulative Period		Changes (%)
	30.06.24	30.06.23		30.06.24	30.06.23	
	RM'000	RM'000		RM'000	RM'000	
Revenue	149,096	168,221	(11.37%)	339,910	319,015	6.55%
Profit before tax	10,572	18,912	(44.10%)	28,893	37,253	(22.44%)
Profit before tax margin (%)	7.09	11.24	(36.92%)	8.50	11.68	(27.23%)
Profit after tax	7,186	14,333	(49.86%)	21,324	28,385	(24.89%)
Profit attributable to Ordinary Equity of the Parent	7,010	14,121	(50.36%)	20,625	27,902	(26.08%)

(a) Current Quarter versus Preceding Year Corresponding Quarter

The Group's revenue for the current quarter decreased 11% as compared to the preceding year corresponding quarter. The increase in revenue from office panel products was more than offset by the substantial decrease in bedroom and dining set products. The on-going subdued demand for the Group's products was exacerbated by the recent disruption in supply chain logistics where shipping charges were at exorbitant levels, prompting certain buyers to defer shipments.

In line with the lower revenue generated and higher operating costs in materials and labour charges, the net profit margin dipped from 11% to 7% for the current quarter, where profit before tax recorded at RM7.2 million, down 50% as compared to the same quarter of last year.

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

For the first half of 2024, the Group recorded higher revenue of RM340 million as compared to the preceding corresponding period of RM319 million, an increase of 6.55%, mainly contributed by the sales of office panel products. Nevertheless, the current soft market conditions and sharp increase in ocean freight spot rates had continued to weigh on Group's orders/sales, especially for the bedroom and dining sets.

Despite the higher revenue generated, the Group recorded lower profit before tax by 22.4% as compared to the preceding corresponding period. The unfavourable product mix and higher materials costs, coupled with the increase in labour wages due to an increase in the number of workers, had resulted in the net profit margin to drop to 8.5%, about 3% points lower than that of the preceding corresponding period.

17 Variation of Results Against Preceding Quarter

Description	2 nd Qtr. 2024	1 st Qtr. 2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue	149,096	190,814	(41,718)	(21.86%)
Profit before tax	10,572	18,321	(7,749)	(42.30%)
Profit after tax	7,186	14,138	(6,952)	(49.17%)
Profit attributable to Ordinary Equity Holders of the Parent	7,010	13,615	(6,605)	(48.51%)

The revenue for the current quarter took a drastic dip, especially for the months of May and June 2024, resulting in a decrease in revenue by 22% as compared to the immediate preceding quarter. The sluggish orders, coupled with the substantial increase in shipping costs which resulted in some buyers postponing shipments, were the main reasons for the lower revenue generated for the current quarter.

The negative impact on the Group's operation, particularly in manpower and machine utilization, together with the relatively higher overhead costs vis-à-vis lower revenue generated, led to the decline in the Group's profit before tax by 42.3% as compared to that of the immediate preceding quarter.

18. Current year prospects

The slowdown in the U.S. job growth and the unemployment rate which increased from 4.1% to 4.3% in July 2024 indicate slower hiring and cooling labour market conditions, potentially signaling an impending economic slowdown. The market generally expected the US Federal Open Market Committee to take a more aggressive rates cut in the second half of the year, and this probably led to the recent weakening of U.S Dollar against Ringgit Malaysia ["RM"]. Elsewhere, tensions which have heightened in the Middle East, could further disrupt the supply chain and impact the global business landscape.

On the local front, sluggish demand from customers, higher operating costs and the weakening of U.S dollar against RM exert pressure on the Group's margin. The Board of Directors, together with Management, being mindful of such challenges faced by the Group, remains steadfast and will continue to exercise vigilance in decision-making to sustain business viability with a view to creating long-term shareholder value. With a generally controllable cost structure in place, a wide market-base for the Group's products and judicious deployment of resources, especially available workforce, the Board remains positive that the Group is well positioned towards meeting prevailing challenges for the rest of 2024 in its quest to enhance 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:

	Current Quarter 30.06.2024 RM'000	Preceding Quarter 30.06.2023 RM'000	Current Year- to-Date 30.06.2024 RM'000	Corresponding Year-to-Date 30.06.2023 RM'000
Current taxation				
- provision for the period	3,450	4,158	7,246	8,571
- (over) provision in prior years	-	-	-	-
Deferred taxation - origination and reversal of temporary differences for the period	(64)	421	323	297
	<u>3,386</u>	<u>4,579</u>	<u>7,569</u>	<u>8,868</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%. This is mainly due to certain expenses incurred by companies in the Group which were not allowable for tax deductions and tax losses of certain subsidiary companies for which deferred tax benefits have not been recognised.

21. Borrowings and Debt Securities

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

	2nd Quarter Ended 30.06.2024 RM'000	Corresponding Year-to-Date 31.12.2023 RM'000
Short Term	RM'000	RM'000
Overdraft	-	339
Bankers' acceptances	2,621	2,200
Term loans	1,800	1,791
Hire purchase	89	209
Total	<u>4,510</u>	<u>4,539</u>
Long Term		
Term loans	12,481	12,976
Hire purchase	315	300
Total	<u>12,796</u>	<u>13,276</u>
Grand Total	<u>17,306</u>	<u>17,815</u>

The loans and bank borrowings are denominated in RM and are secured by legal charges over the property, plant and equipment, including pledges over the short-term fixed deposits, of certain subsidiary companies. The weighted average floating interest rates charged on the borrowings ranged from 3.77% to 4.28% (2023: 3.46% to 4.15%) per annum.

22. Financial Instruments - derivatives

As of 30 June 2024, the foreign currency contracts which were entered into 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	15,062	15,082	20

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:

	2 nd Quarter Ended 30 June		Year-to-Date 30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain/(loss)				
-realised	(614)	2,084	1,979	2,507
-unrealised	334	1,848	124	785
Gain/(loss) on disposal of property, plant and equipment	114	162	92	197
Gain on remeasurement of Right-of-Use assets	32	2	32	17
Interest income	1,538	1,588	3,083	3,087
Fair value loss on derivative financial instruments	(18)	(935)	(20)	(650)
Rental income	617	343	1,219	676
Sundry revenue	345	219	572	442
	2,348	5,311	7,081	7,061

24. Operating Expenses

The operating expenses include the following charges:

	2 nd Quarter Ended		Year to Date	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization of property, plant and equipment and right-of-use assets	5,222	4,697	10,463	9,430
Interest expense	495	291	935	593
Property, plant and equipment written off	12	14	13	14

25. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off-balance sheet risk as at 30 June 2024.

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 second interim single tier dividend of 0.7 sen on the enlarged share capital of 539,999,964 totalling RM3.78 million in respect of the financial year ending 31 December 2024, payable on 27 September 2024 to depositors registered in the Records of Depositors at close of business on 12 September 2024.

28. Basic Earnings per Share

	2 nd Quarter Ended		Year-to-Date	
	30 June		30 June	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Parent	7,010	14,121	20,625	27,902
Weighted average number of shares in issue ('000)	540,000	540,000	540,000	540,000
Basic Earnings per Share (sen)	1.30	2.62	3.82	5.17

29. Authorisation for issue

These interim financial statements and the accompanying notes were authorised for issue by the Board of Directors on 26 August 2024.

For and on behalf of the Board

Lii Hen Industries Bhd.

Pang Kah Man, MIA 18831

Company Secretary