

LII HEN INDUSTRIES BHD.

ANNEXURE 3-B: SUMMARY OF LIVE QUESTIONS RECEIVED VIA ONLINE QUESTIONS AND ANSWERS (“Q&A”) BOX FROM SHAREHOLDERS AND PROXIES DURING THE ANNUAL GENERAL MEETING (“AGM”) ON 15 JUNE 2023 AND THE COMPANY’S RESPONSES THERETO

Questions:

- 1. (1) May I know what is the Company's future outlook? (2) Will the Board consider giving door gift such e-voucher or e-wallets for those participating in this AGM as a token of appreciation? (Lau Chuan Hooi)**

(1) Please refer to the Statement on Management Discussion and Analysis and Sustainability Statement in the annual report, which set out details and information about the Company’s future outlook. (2) Instead of giving door gifts to shareholders participating at this AGM, the Board had taken the stance to reward shareholders with consistent dividend payouts as could be seen in past years.

- 2. Please indicate the directors who are absent and provide a reason for their absence. (Clint Loh Chi Lun)**

All the Directors were present and participating at the AGM today.

- 3. I am a representative of MSWG. Kindly email us a copy of the written response to our questions that were presented during the AGM. (Clint Loh Chi Lun)**

The request was noted, and a copy of the written response would be sent to MSWG after the AGM.

- 4. The last quarters of the Company's Quarterly Results reported a flat Revenue of around RM150 million. The 1st Quarter 2023 results also commented declined revenue from North America and Malaysia. Can the Board update the shareholders on the latest orders and revenue achieved? Will the Company be able to improve on its RM150 million achieved in the 1st Quarter for the remaining Quarters of 2023? (Lew Tuck Wai)**

Barring any unforeseen circumstances, the Company should be able to improve its revenue for the remaining quarters of 2023. As our products were mostly targeted at the lower end of the market, the impact of the economic outlook on the revenue of the Company was not as huge as those that would impact the high-end market.

- 5. Is company still facing problem of slowing order from North America these few months? Will this new financial year 2023 perform better profit compared to year 2022? (Gan Kok Seng)**

The Company should be able to improve its sales and be profitable during the financial year (FY) 2023 as compared to FY 2022 barring any upheavals.

- 6. Lii Hen continues to declare consistent dividends to shareholders. In view of the challenges faced in FY2023, profitability may decline. Can the Board assure shareholders that it will try its level best to sustain the dividends payouts similar to the 2022 quantum paid in value, i.e. RM37.55 million in FY2023? (Lew Tuck Wai)**

Even though the Company had not adopted any dividend policy, shareholders could see that dividend payouts had been consistent for the past few years. The Company, therefore, would endeavour to maintain dividend payout in FY2023 notwithstanding the challenging operating environment.

- 7. Under the Plantation segment, the current age of the latex timber clone trees are aged between 4 and 8 years old (page 5 of Annual Report) (1) When will the tapping of the rubber trees be expected to commence? (2) What is the optimum age of the cloned rubber trees that can be harvested to be used as raw material for the manufacturing of wood products? (Lew Tuck Wai)**

(1) Normally, the tapping of the rubber trees would commence after the seventh year. However, as the rubber trees for our project are not the ordinary rubber trees, i.e., cloned rubber trees and the planting density is much higher, the tapping would only commence after the eighth to ninth year. (2) The optimum age of the cloned rubber trees that could be harvested and used as raw materials for the manufacturing of wood products would be around twentieth to twenty-fifth (25) year.

- 8. Lii Hen Group's total workforce has declined from 2,860 in 2021 to 2,497 in 2022. (1) Is the current workforce (including foreign workers) sufficient for the manufacturing operations of the Group? (2) Is the decline of total workforce part of the Group's strategies to reduce reliance on manual labour and improvement through automation and sub-contracting to sub-contractors? (Lew Tuck Wai)**

The decline in total workforce was in tandem with the volume of orders that the Group received. Apart from that, as mentioned earlier, the Group was also able to reduce the headcount following automation of some of the machines. Therefore, this is testament of the Group's on-going strategy to move towards automation.

- 9. Unlike other virtual AGMs by other companies, during the introduction of board members there was not a show of the live faces of directors. This makes it difficult to ascertain whether the directors are actually present or not in the virtual AGM. (Clint Loh Chi Lun)**

We take note of the issue raised and confirm that all Directors are present and being introduced with the name of each Director called up and responded by raising hand at the commencement of

the virtual AGM today. Nevertheless, we will work with the service provider to ensure that the “live” faces of Directors are shown during the introduction at the next AGM should the virtual mode be opted for.

- 10. To clarify what I said earlier, for other companies’ virtual AGMs, during the introduction of directors, the chairman will call out the names of directors one by one and the directors will respond by acknowledging by raising their hands etc. But for Lii Hen, the video appears to be static, or it does not even show an image of some directors. Thanks. (Clint Loh Chi Lun)**

The quality of the live streaming/broadcast may be affected due to internet bandwidth connection at your end. You may check with the service provider on this issue.

- 11. A big thank you to the Board of Lii Hen for your very detailed answers to questions raised by shareholders. Also, appreciation to Mr. Lee for chairing a very well conducted AGM. Keep up the good work. (Lew Tuck Wai)**

Thank you very much for the compliment.

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