

LIEN HOE CORPORATION BERHAD
(Company No. 8507-X)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016
THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30.6.2016 RM'000	Preceding Year Corresponding Quarter 30.6.2015 RM'000	Current Year Year Today 30.6.2016 RM'000	Preceding Year Year Corresponding Period 30.6.2015 RM'000
Revenue	30,664	34,195	59,432	61,017
Cost of sales	(26,922)	(27,095)	(49,415)	(46,802)
Gross profit	3,742	7,100	10,017	14,215
Other income	305	21	436	224
Operating and administration expenses	(9,548)	(9,975)	(19,048)	(20,660)
Loss from operations	(5,501)	(2,854)	(8,595)	(6,221)
Finance cost	(1,360)	(1,274)	(2,625)	(2,528)
Loss before tax	(6,861)	(4,128)	(11,220)	(8,749)
Income tax expense	24	(25)	192	(51)
Loss net of tax	(6,837)	(4,153)	(11,028)	(8,800)
Other comprehensive income				
Item that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	330,888	-	330,888	-
Total comprehensive income for the period	324,051	(4,153)	319,860	(8,800)
Loss attributable to owners of the parent	(6,837)	(4,153)	(11,028)	(8,800)
Total comprehensive income attributable to owners of the parent	324,051	(4,153)	319,860	(8,800)
Loss per share attributable to owners of the parent (sen)				
- basic and fully diluted	(1.99)	(1.21)	(3.22)	(2.57)

(The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At End Of Current Quarter 30.6.2016 RM'000	(Audited) As At Preceding Financial Year End 31.12.2015 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	559,965	173,962
Investment in an associate	-	-
Other investment	1,000	1,000
Goodwill on consolidation	8,979	8,979
Development expenditure	30,152	28,658
Receivables	<u>54,391</u>	<u>54,242</u>
	<u>654,487</u>	<u>266,841</u>
Current Assets		
Land held for development	10,154	-
Inventories	10,336	10,483
Receivables	66,262	65,001
Amount due from customers for contract work	14,017	19,860
Income tax recoverable	2,939	2,372
Cash and bank balances	<u>5,978</u>	<u>7,709</u>
	109,686	105,425
Asset held for sale	<u>6,596</u>	<u>-</u>
	<u>116,282</u>	<u>105,425</u>
TOTAL ASSETS	<u>770,769</u>	<u>372,266</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Parent		
Share capital	361,742	361,742
Share premium	51,056	51,056
Treasury shares	(5,568)	(5,568)
Reserves	352,343	21,455
Accumulated losses	<u>(199,648)</u>	<u>(188,620)</u>
Total equity	<u>559,925</u>	<u>240,065</u>
Non-Current Liabilities		
Deferred tax liabilities	81,960	9,392
Borrowings	<u>42,967</u>	<u>42,934</u>
	<u>124,927</u>	<u>52,326</u>
Current Liabilities		
Borrowings	19,462	17,249
Bank overdrafts	5,643	8,399
Payables	56,254	52,033
Amount due to customers for contract work	3,549	1,185
Income tax payable	<u>1,009</u>	<u>1,009</u>
	<u>85,917</u>	<u>79,875</u>
Total liabilities	210,844	132,201
TOTAL EQUITY AND LIABILITIES	<u>770,769</u>	<u>372,266</u>
Net assets per share (RM)	1.63	0.70

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To date 30.6.2016 RM'000	Preceding Year Corresponding Period 30.6.2015 RM'000
Operating activities		
Loss before tax	(11,220)	(8,749)
Adjustments for :-		
Non-cash items	4,574	4,485
Non-operating items	2,565	2,509
Operating cash flows before changes in working capital	(4,081)	(1,755)
Development expenditure	(1,494)	(2,276)
Inventories	147	(152)
Receivables	4,433	(4,413)
Payables	6,509	6,634
Net income taxes paid	(567)	(348)
Net cash flows from/(used in) operating activities	4,947	(2,310)
Investing activities		
Purchase of property plant and equipment	(3,279)	(3,084)
Proceeds from disposal of property, plant and equipment	-	112
Interest received	60	19
Net cash flows used in investing activities	(3,219)	(2,953)
Financing activities		
Net drawdown of term loan	273	221
Net drawdown of bankers' acceptance	1,969	260
Net repayment of hire purchase payables	(396)	(386)
Interest paid	(2,549)	(2,539)
Net cash flows from financing activities	(703)	(2,444)
Net increase/(decrease) in cash and cash equivalents	1,025	(7,707)
Cash and cash equivalents at beginning of period	(3,188)	9,418
Cash and cash equivalents at end of period	(2,163)	1,711
Cash and cash equivalents comprise :-		
Cash and bank balances	5,978	5,770
Less : Bank overdrafts	(5,643)	(1,632)
: Fixed deposits pledged	(2,498)	(2,427)
	(2,163)	1,711

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to owners of the parent ----->						
	<----- Non-distributable ----->			Distributable			
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserves RM'000	Capital reserves RM'000	Accumulated losses RM'000	Total RM'000
At 1 January 2015	361,742	51,056	(5,568)	-	21,455	(170,904)	257,781
Loss net of tax for the period	-	-	-	-	-	(8,800)	(8,800)
At 30 June 2015	<u>361,742</u>	<u>51,056</u>	<u>(5,568)</u>	<u>0</u>	<u>21,455</u>	<u>(179,704)</u>	<u>248,981</u>
At 1 January 2016	361,742	51,056	(5,568)	-	21,455	(188,620)	240,065
Loss net of tax for the period	-	-	-	-	-	(11,028)	(11,028)
Other comprehensive income for the period	-	-	-	330,888	-	-	330,888
Total comprehensive income for the period	-	-	-	330,888	-	(11,028)	319,860
At 30 June 2016	<u>361,742</u>	<u>51,056</u>	<u>(5,568)</u>	<u>330,888</u>	<u>21,455</u>	<u>(199,648)</u>	<u>559,925</u>

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015)