

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30.9.2016 RM'000	Preceding Year Corresponding Quarter 30.9.2015 RM'000	Current Year To date 30.9.2016 RM'000	Preceding Year Corresponding Period 30.9.2015 RM'000
Revenue	25,115	35,725	84,547	96,742
Cost of sales	(21,649)	(28,494)	(71,064)	(75,296)
Gross profit	3,466	7,231	13,483	21,446
Other income	38	60	474	284
Operating and administration expenses	(10,035)	(11,173)	(29,083)	(31,833)
Loss from operations	(6,531)	(3,882)	(15,126)	(10,103)
Finance cost	(1,267)	(1,291)	(3,892)	(3,819)
Loss before tax	(7,798)	(5,173)	(19,018)	(13,922)
Income tax expense	(21,549)	(853)	(21,357)	(904)
Loss net of tax	(29,347)	(6,026)	(40,375)	(14,826)
Other comprehensive income				
Item that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	-	-	330,888	-
Total comprehensive income for the period	(29,347)	(6,026)	290,513	(14,826)
Loss attributable to owners of the parent	(29,347)	(6,026)	(40,375)	(14,826)
Total comprehensive income attributable to owners of the parent	(29,347)	(6,026)	290,513	(14,826)
Loss per share attributable to owners of the parent (sen) - basic and fully diluted	(8.56)	(1.76)	(11.77)	(4.32)

(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 30.9.2016 RM'000	(Audited) As At Preceding Financial Year End 31.12.2015 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	557,615	173,962
Investment in an associate	-	-
Other investment	1,000	1,000
Goodwill on consolidation	8,979	8,979
Development expenditure	31,053	28,658
Receivables	<u>52,405</u>	<u>54,242</u>
	<u>651,052</u>	<u>266,841</u>
Current Assets		
Land held for development	10,154	-
Inventories	10,313	10,483
Receivables	60,186	65,001
Amount due from customers for contract work	12,964	19,860
Tax recoverable	3,122	2,372
Cash and bank balances	<u>6,781</u>	<u>7,709</u>
	<u>103,520</u>	<u>105,425</u>
Asset held for sale	<u>6,596</u>	<u>-</u>
	<u>110,116</u>	<u>105,425</u>
TOTAL ASSETS	<u>761,168</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	351,678	21,455
Accumulated losses	<u>(228,330)</u>	<u>(188,620)</u>
Total equity	<u>530,578</u>	<u>240,065</u>
Non-Current Liabilities		
Deferred tax liabilities	81,912	9,392
Borrowings	<u>42,884</u>	<u>42,934</u>
	<u>124,796</u>	<u>52,326</u>
Current Liabilities		
Borrowings	18,512	17,249
Bank overdrafts	4,785	8,399
Payables	57,957	52,033
Amount due to customers for contract work	1,935	1,185
Tax payable	<u>22,605</u>	<u>1,009</u>
	<u>105,794</u>	<u>79,875</u>
Total liabilities	230,590	132,201
TOTAL EQUITY AND LIABILITIES	<u>761,168</u>	<u>372,266</u>
Net assets per share (RM)	1.55	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 30.9.2016 RM'000	Preceding Year Corresponding Period 30.9.2015 RM'000
Operating activities		
Loss before tax	(19,018)	(13,922)
Adjustments for :-		
Non-cash items	7,135	6,817
Non-operating items	3,812	3,775
Operating cash before changes in working capital	(8,071)	(3,330)
Development expenditure	(2,395)	(2,638)
Inventories	170	(78)
Receivables	13,548	(4,212)
Payables	6,633	11,137
Net income taxes paid	(751)	(713)
Net cash from operating activities	9,134	166
Investing activities		
Purchase of property plant and equipment	(3,562)	(3,476)
Proceeds from disposal of property, plant and equipment	71	112
Interest received	80	44
Net cash used in investing activities	(3,411)	(3,320)
Financing activities		
Fixed deposits pledged for banking facilities	(45)	-
Net drawdown/(repayment) of term loan	550	(3,471)
Net drawdown of bankers' acceptance	899	4,387
Net repayment of hire purchase payables	(633)	(623)
Interest paid	(3,853)	(3,778)
Net cash used in financing activities	(3,082)	(3,485)
Net increase/(decrease) in cash and cash equivalents	2,641	(6,639)
Cash and cash equivalents at beginning of period	(3,188)	9,418
Cash and cash equivalents at end of period	(547)	2,779
Cash and cash equivalents comprise :-		
Cash and bank balances	6,781	7,654
Less : Bank overdrafts	(4,785)	(2,448)
: Fixed deposits pledged	(2,543)	(2,427)
	(547)	2,779

(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			
			Assets				
	Share capital	Share premium	Treasury shares	revaluation reserves	Capital reserves	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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, representing total comprehensive income for the period	-	-	-	-	-	(14,826)	(14,826)
At 30 September 2015	<u>361,742</u>	<u>51,056</u>	<u>(5,568)</u>	<u>-</u>	<u>21,455</u>	<u>(185,730)</u>	<u>242,955</u>
At 1 January 2016	361,742	51,056	(5,568)	-	21,455	(188,620)	240,065
Loss net of tax for the period	-	-	-	-	-	(40,375)	(40,375)
Other comprehensive income for the period	-	-	-	330,888	-	-	330,888
Total comprehensive income for the period	-	-	-	330,888	-	(40,375)	290,513
Realisation of assets revaluation reserves	-	-	-	(665)	-	665	-
At 30 September 2016	<u>361,742</u>	<u>51,056</u>	<u>(5,568)</u>	<u>330,223</u>	<u>21,455</u>	<u>(228,330)</u>	<u>530,578</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)