

**LIEN HOE CORPORATION BERHAD**

Registration No. 196901000161 (8507-X)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021  
THE FIGURES HAVE NOT BEEN AUDITED****CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	2,048	5,056	2,048	5,056
Cost of sales	(880)	(3,049)	(880)	(3,049)
Gross profit	<u>1,168</u>	<u>2,007</u>	<u>1,168</u>	<u>2,007</u>
Other income	16	59	16	59
Operating and administrative expenses	(5,845)	(10,550)	(5,845)	(10,550)
Loss from operations	<u>(4,661)</u>	<u>(8,484)</u>	<u>(4,661)</u>	<u>(8,484)</u>
Finance cost	(923)	(1,034)	(923)	(1,034)
Loss before tax	<u>(5,584)</u>	<u>(9,518)</u>	<u>(5,584)</u>	<u>(9,518)</u>
Income tax expense	84	84	84	84
Loss net of tax, representing total comprehensive loss for the period	<u>(5,500)</u>	<u>(9,434)</u>	<u>(5,500)</u>	<u>(9,434)</u>
Loss per share attributable to owners of the Company - basic and diluted (sen)	<u>(1.65)</u>	<u>(2.84)</u>	<u>(1.65)</u>	<u>(2.84)</u>

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 2020.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of current quarter 31.3.2021 RM'000	As at preceding financial year end 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	177,310	178,559
Right-of-use assets	175,144	176,674
Other investment	1,000	1,000
Goodwill on consolidation	8,927	8,927
Inventories	<u>53,439</u>	<u>52,934</u>
	<u>415,820</u>	<u>418,094</u>
<b>Current Assets</b>		
Inventories	12,514	12,548
Trade and other receivables	2,559	2,334
Income tax recoverable	285	282
Deposits, bank and cash balances	<u>4,220</u>	<u>10,440</u>
	19,578	25,604
Asset held for sale	<u>88,666</u>	<u>88,666</u>
	<u>108,244</u>	<u>114,270</u>
<b>TOTAL ASSETS</b>	<u>524,064</u>	<u>532,364</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	142,188	142,188
Treasury shares	(9,177)	(9,177)
Reserves	269,196	269,822
Accumulated losses	<u>(27,839)</u>	<u>(22,965)</u>
<b>Total equity</b>	<u>374,368</u>	<u>379,868</u>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	63,263	63,347
Bank borrowings	44,236	46,670
Lease liabilities	<u>667</u>	<u>761</u>
	<u>108,166</u>	<u>110,778</u>
<b>Current Liabilities</b>		
Trade and other payables	26,587	27,273
Bank borrowings	5,000	2,000
Lease liabilities	407	440
Bank overdraft	3,979	3,986
Income tax payable	<u>5,557</u>	<u>8,019</u>
	<u>41,530</u>	<u>41,718</u>
<b>Total liabilities</b>	149,696	152,496
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>524,064</u>	<u>532,364</u>
<b>Net Assets Per Share (RM)</b>	1.13	1.14

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31.3.2021 RM'000	3 months ended 31.3.2020 RM'000
<b>Operating activities</b>		
Loss before tax	(5,584)	(9,518)
Adjustments for:		
Non-cash items	2,779	2,953
Non-operating items	907	979
Operating cash before changes in working capital	<u>(1,898)</u>	<u>(5,586)</u>
Inventories	(471)	(2,228)
Receivables	(225)	471
Payables	(686)	(1,383)
Income taxes paid	<u>(2,465)</u>	<u>(2,530)</u>
Net cash used in operating activities	<u>(5,745)</u>	<u>(11,256)</u>
<b>Investing activities</b>		
Interest received	16	55
Purchase of property, plant and equipment	<u>-</u>	<u>(40)</u>
Net cash from investing activities	<u>16</u>	<u>15</u>
<b>Financing activities</b>		
Drawdown of term loan	-	15,000
Fixed deposits pledged for banking facilities	(9)	(23)
Interest paid	(357)	(1,060)
Repayment of:		
- lease liabilities	(127)	(120)
- term loan	<u>-</u>	<u>(1,620)</u>
Net cash (used in)/from financing activities	<u>(493)</u>	<u>12,177</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,222)</b>	<b>936</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,083</b>	<b>(1,013)</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>(3,139)</u></b>	<b><u>(77)</u></b>
Cash and cash equivalents comprise:		
Cash and bank balances	4,220	7,125
Less : Bank overdraft	(3,979)	(3,876)
: Fixed deposits pledged	<u>(3,380)</u>	<u>(3,326)</u>
	<u>(3,139)</u>	<u>(77)</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to owners of the Company ----->					
	<----- Non-distributable ----->		<----- Distributable ----->			
	Share capital	Treasury shares	Asset revaluation reserve	Capital reserve	Retained earnings/ (Accumulated losses)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	142,188	(9,177)	312,220	21,455	2,302	468,988
Loss net of tax for the period, representing total comprehensive loss for the period	-	-	-	-	(9,434)	(9,434)
Realisation of asset revaluation reserve	-	-	(628)	-	628	-
At 31 March 2020	<u>142,188</u>	<u>(9,177)</u>	<u>311,592</u>	<u>21,455</u>	<u>(6,504)</u>	<u>459,554</u>
At 1 January 2021	142,188	(9,177)	248,367	21,455	(22,965)	379,868
Loss net of tax for the period, representing total comprehensive loss for the period	-	-	-	-	(5,500)	(5,500)
Realisation of asset revaluation reserve	-	-	(626)	-	626	-
At 31 March 2021	<u>142,188</u>	<u>(9,177)</u>	<u>247,741</u>	<u>21,455</u>	<u>(27,839)</u>	<u>374,368</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 2020.

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1.) **Basis of Preparation and Accounting Policies**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2020.

The Group has also adopted all new MFRSs and amendments to MFRSs that are relevant and effective for the accounting periods beginning on or after 1 January 2021, and the adoption of these new MFRSs and amendments to MFRSs do not have any significant impact on the financial statements of the Group for the first quarter of 2021.

### 2.) **Auditors' Report**

The auditors' report on the Group's financial statements for the year ended 31 December 2020 was not qualified.

### 3.) **Seasonal or Cyclical Factors**

The Group's operations were not significantly affected by any seasonal or cyclical factors.

### 4.) **Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

In the first quarter of 2021, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

### 5.) **Material Changes In Estimates Used**

There were no material changes in the estimates used for the preparation of the interim financial statements.

### 6.) **Debts and Equity Securities**

There were no issuances, cancellations, repurchases and repayments of debt and equity securities in the first quarter of 2021.

### 7.) **Dividends Paid**

There were no payment of dividends in the first quarter of 2021.

### 8.) **Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment have been brought forward without any material amendments from the previous audited financial statements. Any additions to property, plant and equipment are carried at cost.

9.) **Segment Information**

The breakdown of segment revenue, results, assets and liabilities by business segment for the period ended 31 March was as follows:

	Property		Hotel		Corporate		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>										
External customers	795	833	1,253	4,223	-	-	-	-	2,048	5,056
Inter-segment	-	-	-	-	300	300	(300)	(300)	-	-
<b>Total revenue</b>	<b>795</b>	<b>833</b>	<b>1,253</b>	<b>4,223</b>	<b>300</b>	<b>300</b>	<b>(300)</b>	<b>(300)</b>	<b>2,048</b>	<b>5,056</b>
<b>Results</b>										
Segment loss	(2,157)	(5,700)	(1,802)	(1,680)	(718)	(1,159)	(907)	(979)	(5,584)	(9,518)
<b>Segment assets</b>	<b>388,804</b>	<b>479,152</b>	<b>126,710</b>	<b>133,962</b>	<b>8,550</b>	<b>13,452</b>	<b>-</b>	<b>-</b>	<b>524,064</b>	<b>626,566</b>
<b>Segment liabilities</b>	<b>95,955</b>	<b>113,049</b>	<b>36,223</b>	<b>35,285</b>	<b>17,518</b>	<b>18,678</b>	<b>-</b>	<b>-</b>	<b>149,696</b>	<b>167,012</b>

10.) **Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the interim period to the date of this announcement.

11.) **Changes in the Composition of the Group**

In the first quarter of 2021, there were no changes in the composition of the Group.

12.) **Changes in Contingent Liabilities/Assets**

In the first quarter of 2021, there were no changes in contingent liabilities/assets of the Group.

13.) **Capital Commitments**

There were no material capital commitments as at the end of the first quarter of 2021.

14.) **Significant Related Party Transactions**

The Group has no significant related party transactions in the first quarter of 2021.

**ADDITIONAL INFORMATION REQUIRED  
BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS**

I.) Review of Performance - 2021 First Quarter (2021Q1) compared to 2020 First Quarter (2020Q1)

	Individual quarter 3 months ended		Changes	
	31.3.2021 RM'000	31.3.2020 RM'000	RM'000	%
Revenue	2,048	5,056	(3,008)	(59%)
Loss before interest and tax	(4,661)	(8,484)	3,823	45%
Loss before tax	(5,584)	(9,518)	3,934	41%
Loss after tax	(5,500)	(9,434)	3,934	42%
Loss attributable to owners of the Company	(5,500)	(9,434)	3,934	42%

For the three months to 31 March 2021, the Group's total revenue was RM2.05 million as compared to RM5.06 million for the first quarter of 2020. The revenue declined 59% from the prior year period mainly on lower contribution from the hotel segment. The restrictions imposed to curb the spread of covid-19 coronavirus weighed on the operating capacity of our hotel in the current quarter as interstate travel ban and border closure dampened demand for hotel rooms while prohibitions of social events, meetings and dining-out activities impacted the sales of food & beverage. This led to a significant drop in sales from rooms and food & beverage services by 74% and 68% respectively.

Comparing to a loss of RM9.43 million in last year's period, the Group recorded a smaller loss of RM5.50 million, due mainly to measures taken to control the operational and administrative costs.

II.) Review of 2021 First Quarter (2021Q1) against 2020 Fourth Quarter (2020Q4)

	Individual quarter 3 months ended		Changes	
	31.3.2021 RM'000	31.12.2020 RM'000	RM'000	%
Revenue	2,048	2,061	(13)	(1%)
Loss before interest and tax	(4,661)	(5,150)	489	9%
Loss before tax	(5,584)	(5,756)	172	3%
Loss after tax	(5,500)	(5,624)	124	2%
Loss attributable to owners of the Company	(5,500)	(5,624)	124	2%

Revenue and loss for the current quarter was RM2.05 million and RM5.50 million respectively, almost unchanged from the preceding quarter's revenue of RM2.06 million and loss of RM5.62 million. The financial performance of the Group in the current quarter remained severely impacted by the continued disruption of its operations in the hotel segment due to the covid-19 pandemic.

III.) **Prospects**

The Board remains cautious over the prospect of business recovery in the near term for the hotel industry and the property market in view of the uncertainties surrounding the covid-19 pandemic. The Group will continue to adapt and navigate through this challenging economic environment and endeavor to take prompt actions to minimise operating and financial risks.

IV.) **Profit Forecast or Profit Guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

V.) **Status of Corporate Proposals Announced but Not Completed**

On 7 September 2020, the Board announced that a wholly owned subsidiary company, Christine Resort Sdn Bhd had entered into a conditional sale and purchase agreement for the disposal of a parcel of freehold land located within Bandar Seri Alam, Masai, Johor for a cash consideration of RM88.67 million or reduced sale price of RM64.62 million ('Proposed Disposal').

The Proposed Disposal was approved by the shareholders of the Company at an Extraordinary General Meeting held on 30 November 2020.

The Proposed Disposal is pending completion as at the date of announcement of this report.

VI.) **Disclosure of Derivatives**

There are no derivatives as at the date of this announcement.

VII.) **Gains/Losses Arising from Fair Value Changes of Financial Liabilities**

There were no material gains/losses arising from fair value changes of financial liabilities in the first quarter of 2021.

VIII.) **Loss from Operations**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Loss from operations is stated after charging/(crediting):-				
Depreciation of property, plant and equipment	1,283	1,486	1,283	1,486
Depreciation of right-of-use assets	1,496	1,467	1,496	1,467
Interest income	(16)	(55)	(16)	(55)

IX.) **Income Tax Expense**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Deferred tax relating to net surplus on revaluation of land and buildings	84	84	84	84



**X.) Material Litigation**

There were no material litigation as at the end of the first quarter of 2021.

**XI.) Significant Event**

Macro Resources Sdn Bhd ("Macro"), a wholly owned subsidiary company, was on 23 January 2019 placed under the judicial management of a judicial manager under Section 405 of the Companies Act 2016, and Mr Ng Choon Jin was appointed the judicial manager of Macro who will thenceforth handle all the affairs of the company.

The court has granted an order for the extension of the appointment of the judicial management for Macro pursuant to section 406 of the Companies Act 2016 whereby the order shall be valid from 20 January 2021 to 19 July 2021.

**XII.) Group Borrowings/Debt Securities**

A.) Group borrowings/debt securities as at 31 March 2021 were :-

	Current RM'000	Non-current RM'000	Total borrowings RM'000
Bank overdraft	3,979	-	3,979
Term loans	5,000	44,236	49,236
Lease liabilities	407	667	1,074
Total borrowings	<u>9,386</u>	<u>44,903</u>	<u>54,289</u>

B.) Group borrowings/debt securities as at 31 March 2020 were :-

	Current RM'000	Non-current RM'000	Total borrowings RM'000
Bank overdraft	3,876	-	3,876
Term loans	5,558	41,570	47,128
Lease liabilities	480	919	1,399
Total borrowings	<u>9,914</u>	<u>42,489</u>	<u>52,403</u>

**XIII.) Dividends**

The Board of Directors did not recommend or paid any dividend for the first quarter of 2021.

**XIV.) Loss Per Share**

The basic loss per share amounts are calculated by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares in issue. The computation of diluted loss per share is not affected by any other factors.

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Loss net of tax attributable to owners of the Company (RM'000)	<u>(5,500)</u>	<u>(9,434)</u>	<u>(5,500)</u>	<u>(9,434)</u>
Weighted average number of ordinary shares ('000)	<u>332,421</u>	<u>332,421</u>	<u>332,421</u>	<u>332,421</u>
Basic and diluted loss per share (sen)	<u>(1.65)</u>	<u>(2.84)</u>	<u>(1.65)</u>	<u>(2.84)</u>