

**LIEN HOE CORPORATION BERHAD**  
 Registration No. 196901000161 (8507-X)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 JUNE 2022**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Revenue	5,232	2,307	9,036	4,355
Cost of sales	(2,598)	(1,183)	(4,480)	(2,063)
Gross profit	2,634	1,124	4,556	2,292
Other income	77	12	156	28
Operating and administrative expenses	(16,163)	(4,571)	(28,240)	(10,416)
Loss from operations	(13,452)	(3,435)	(23,528)	(8,096)
Finance cost	(605)	(908)	(1,227)	(1,831)
Loss before tax	(14,057)	(4,343)	(24,755)	(9,927)
Income tax expense	79	83	960	167
Loss net of tax, representing total comprehensive loss for the period	(13,978)	(4,260)	(23,795)	(9,760)
Loss per share - basic and diluted (sen)	(4.20)	(1.28)	(7.16)	(2.94)

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 2021.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of current quarter 30.6.2022 RM'000	As at preceding financial year end 31.12.2021 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	174,971	177,136
Right-of-use assets	<u>161,008</u>	<u>163,911</u>
	<u>335,979</u>	<u>341,047</u>
<b>Current Assets</b>		
Inventories	12,652	12,575
Trade and other receivables	3,566	40,800
Income tax recoverable	285	285
Deposits, bank and cash balances	<u>19,653</u>	<u>10,564</u>
	36,156	64,224
Assets held for sale	<u>-</u>	<u>6,500</u>
	<u>36,156</u>	<u>70,724</u>
<b>TOTAL ASSETS</b>	<u>372,135</u>	<u>411,771</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	212,240	217,785
Accumulated losses	<u>(70,894)</u>	<u>(52,644)</u>
<b>Total equity</b>	<u>274,357</u>	<u>298,152</u>
<b>Non-current Liabilities</b>		
Lease liabilities	290	496
Bank borrowings	35,506	32,479
Deferred tax liabilities	<u>44,361</u>	<u>45,858</u>
	<u>80,157</u>	<u>78,833</u>
<b>Current Liabilities</b>		
Trade and other payables	14,835	21,919
Lease liabilities	380	379
Bank overdraft	-	3,972
Bank borrowings	784	3,609
Income tax payable	<u>1,622</u>	<u>4,907</u>
	<u>17,621</u>	<u>34,786</u>
<b>Total liabilities</b>	97,778	113,619
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>372,135</u>	<u>411,771</u>
<b>Net Assets Per Share (RM)</b>	0.83	0.90

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30.6.2022 RM'000	6 months ended 30.6.2021 RM'000
<b>Operating activities</b>		
Loss before tax	(24,755)	(9,927)
Adjustments for:		
Non-cash items	5,295	5,519
Non-operating items	1,080	1,804
Operating cash before changes in working capital	(18,380)	(2,604)
Inventories	(77)	(501)
Receivables	37,234	523
Payables	(7,506)	214
Taxes paid	(3,822)	(2,720)
Net cash from/(used in) operating activities	<u>7,449</u>	<u>(5,088)</u>
<b>Investing activities</b>		
Interest received	147	27
Purchase of property, plant and equipment	(212)	(84)
Proceeds from disposal of assets held for sale	6,500	-
Net cash from/(used in) investing activities	<u>6,435</u>	<u>(57)</u>
<b>Financing activities</b>		
Fixed deposits pledged for banking facilities	(22)	(20)
Interest paid	(66)	(699)
Repayment of:		
- lease liabilities	(204)	(242)
- term loan	(553)	-
Net cash used in financing activities	<u>(845)</u>	<u>(961)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	13,039	(6,106)
<b>Cash and cash equivalents at beginning of period</b>	3,177	3,083
<b>Cash and cash equivalents at end of period</b>	<u>16,216</u>	<u>(3,023)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	19,653	4,340
Less : Bank overdraft	-	(3,972)
: Fixed deposits pledged	(3,437)	(3,391)
	<u>16,216</u>	<u>(3,023)</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	142,188	(9,177)	248,367	21,455	(22,965)	379,868
Loss net of tax, representing total comprehensive loss for the period	-	-	-	-	(9,760)	(9,760)
Realisation of asset revaluation reserve	-	-	(1,216)	-	1,216	-
At 30 June 2021	<u>142,188</u>	<u>(9,177)</u>	<u>247,151</u>	<u>21,455</u>	<u>(31,509)</u>	<u>370,108</u>
At 1 January 2022	142,188	(9,177)	196,330	21,455	(52,644)	298,152
Loss net of tax, representing total comprehensive loss for the period	-	-	-	-	(23,795)	(23,795)
Realisation of asset revaluation reserve	-	-	(5,545)	-	5,545	-
At 30 June 2022	<u>142,188</u>	<u>(9,177)</u>	<u>190,785</u>	<u>21,455</u>	<u>(70,894)</u>	<u>274,357</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 2021.

## 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 2021. 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 2021.

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 2021.

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 2022, 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 second quarter of 2022.

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

The auditors' report on the Group's financial statements for the year ended 31 December 2021 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 second quarter of 2022, 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 second quarter of 2022.

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

There were no payment of dividends in the second quarter of 2022.

### 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 30 June was as follows:

	Property		Hotel		Corporate		Adjustments and eliminations		Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Revenue</b>										
External customers	1,640	1,498	7,396	2,857	-	-	-	-	9,036	4,355
Inter-segment	-	-	-	-	600	600	(600)	(600)	-	-
<b>Total revenue</b>	<b>1,640</b>	<b>1,498</b>	<b>7,396</b>	<b>2,857</b>	<b>600</b>	<b>600</b>	<b>(600)</b>	<b>(600)</b>	<b>9,036</b>	<b>4,355</b>
<b>Results</b>										
Segment loss	(19,871)	(3,240)	(2,180)	(3,598)	(1,624)	(1,285)	(1,080)	(1,804)	(24,755)	(9,927)
<b>Segment assets</b>	<b>246,006</b>	<b>390,201</b>	<b>125,082</b>	<b>128,960</b>	<b>1,047</b>	<b>1,649</b>	<b>-</b>	<b>-</b>	<b>372,135</b>	<b>520,810</b>
<b>Segment liabilities</b>	<b>51,165</b>	<b>97,040</b>	<b>37,445</b>	<b>36,355</b>	<b>9,168</b>	<b>17,307</b>	<b>-</b>	<b>-</b>	<b>97,778</b>	<b>150,702</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**

A wholly owned subsidiary company, Wonderland Holding Sdn Bhd was incorporated in the second quarter of 2022.

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

In the second quarter of 2022, 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 second quarter of 2022.

14.) **Significant Related Party Transactions**

The Group has no significant related party transactions in the second quarter of 2022.

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

**I.) Review of Performance - 2022 Second Quarter (2022Q2) compared to 2021 Second Quarter (2021Q2)**

	Individual quarter 3 months ended		Changes	
	30.6.2022 RM'000	30.6.2021 RM'000	RM'000	%
Revenue	5,232	2,307	2,925	127%
Loss before interest and tax	(13,452)	(3,435)	(10,017)	(292%)
Loss before tax	(14,057)	(4,343)	(9,714)	(224%)
Loss after tax	(13,978)	(4,260)	(9,718)	(228%)
Loss attributable to owners of the Company	(13,978)	(4,260)	(9,718)	(228%)

The Group's revenue for the quarter ended 30 June 2022 rebounded to RM5.23 million from RM2.31 million in the same period last year on higher contribution from the hotel segment. The improved operating condition following the resumption of all economic activities including travelling after the end of pandemic-driven lockdown allowed the recovery in business for our hotel from RM1.60 million in last year period to RM4.39 million in the current quarter. With the return of demand for travel, our hotel recorded healthy recovery in both room occupancy and average daily rate across all customer segments. Non-room revenue continued to be a strong earning contributor with sales of food & beverage grew significantly over the same period last year amid increasing demand for seminars and group events throughout the current quarter. Revenue from the property investment segment was higher by RM0.14 million from a year earlier on higher income from car park.

Loss for the current quarter was higher at RM13.98 million against loss of RM4.26 million in prior year quarter due largely to higher operating and administrative expenses, the one-off expense of RM2.00 million on death gratuity payment to the family of the late Dato' Yap Sing Hock, the former managing director of our Company and expenses related to land.

**II.) Review of 2022 Second Quarter (2022Q2) against 2022 First Quarter (2022Q1)**

	Individual quarter 3 months ended		Changes	
	30.6.2022 RM'000	31.3.2022 RM'000	RM'000	%
Revenue	5,232	3,804	1,428	38%
Loss before interest and tax	(13,452)	(10,076)	(3,376)	(34%)
Loss before tax	(14,057)	(10,698)	(3,359)	(31%)
Loss after tax	(13,978)	(9,817)	(4,161)	(42%)
Loss attributable to owners of the Company	(13,978)	(9,817)	(4,161)	(42%)

The Group continued its recovery momentum with a revenue growth of 38% to RM5.23 million in the current quarter from RM3.80 million in the previous quarter on higher contribution from the hotel segment. Demand trend for room was strong throughout the period as the ongoing strength in the domestic leisure market was augmented by cross border travel after the reopening of our international borders in April. Sales of food & beverage also contributed to the increased revenue of the hotel with a strong performance in the month of April from the Ramadan buffet and banquet events. Revenue from the property investment segment was at the same level as the previous quarter given that rentals were essentially unchanged.

Loss for the current quarter was RM13.98 million compared to loss of RM9.82 million in the last quarter due primarily to higher operating and administrative expenses and the one-off expense of RM2.00 million on death gratuity payment to the family of the late Dato' Yap Sing Hock, the former managing director of our Company.

**III.) Prospects**

We are positive about the Group's business in the hotel segment for the second half of the year as we expect domestic leisure travel to remain robust, business travel to accelerate and cross border travel to gain momentum. However, it remains a significant challenge for revenue to return to pre-pandemic level as there are still lingering covid-19 health concerns and tight border remain in place in several major markets within Asia. We shall continue to stay prudent and cost conscious to help mitigate the inflationary cost pressure in the near term.

**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**

There are no outstanding corporate proposals announced but not completed as at the date of announcement of this report.

**VI.) Disclosure of Derivatives**

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

**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 second quarter of 2022.

**VIII.) Loss from Operations**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Loss from operations is stated after charging/(crediting):-				
Depreciation of property, plant and equipment	1,173	1,258	2,377	2,541
Depreciation of right-of-use assets	1,451	1,483	2,902	2,979
Interest income	(70)	(11)	(147)	(27)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**IX.) Income Tax Expense**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Real property gains tax	-	-	(537)	-
Deferred tax relating to net surplus on revaluation of land and buildings	79	83	1,497	167
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



X.) **Significant Event**

There are no significant event as at the date of announcement of this report.

XI.) **Material Litigation**

There were no material litigation as at the end of the second quarter of 2022.

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

A.) Group borrowings/debt securities as at 30 June 2022 were :-

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total borrowings RM'000</b>
Term loans (secured)	784	35,506	36,290
Lease liabilities	380	290	670
Total borrowings	<u>1,164</u>	<u>35,796</u>	<u>36,960</u>

B.) Group borrowings/debt securities as at 30 June 2021 were :-

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total borrowings RM'000</b>
Bank overdraft (secured)	3,972	-	3,972
Term loans (secured)	6,140	43,662	49,802
Lease liabilities	382	577	959
Total borrowings	<u>10,494</u>	<u>44,239</u>	<u>54,733</u>

XIII.) **Dividends**

The Board of Directors did not recommend or paid any dividend for the second quarter of 2022.

XIV.) **Loss Per Share**

The basic loss per share is calculated by dividing the loss net of tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period. The Group has no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares.

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 6 months ended</b>	
	<b>30.6.2022</b>	<b>30.6.2021</b>	<b>30.6.2022</b>	<b>30.6.2021</b>
Loss net of tax attributable to owners of the Company (RM'000)	<u>(13,978)</u>	<u>(4,260)</u>	<u>(23,795)</u>	<u>(9,760)</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>(4.20)</u>	<u>(1.28)</u>	<u>(7.16)</u>	<u>(2.94)</u>

XV.) **Comparative Figures**

The following comparative figures have been reclassified to be consistent with current year's presentation:

<b>Segment information</b>	<b>As previously stated</b>	<b>Reclassification</b>	<b>As restated</b>
	<b>RM'000</b>		
<b>Segment assets</b>			
Property	387,620	2,581	390,201
Hotel	124,684	4,276	128,960
Corporate	8,506	(6,857)	1,649