

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

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

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	5,640	1,350	14,676	5,705
Cost of sales	(2,748)	(549)	(7,228)	(2,612)
Gross profit	<u>2,892</u>	<u>801</u>	<u>7,448</u>	<u>3,093</u>
Other income	57	16	213	44
Operating and administrative expenses	(6,644)	(4,528)	(34,884)	(14,944)
Loss from operations	<u>(3,695)</u>	<u>(3,711)</u>	<u>(27,223)</u>	<u>(11,807)</u>
Finance cost	(679)	(905)	(1,906)	(2,736)
Loss before tax	<u>(4,374)</u>	<u>(4,616)</u>	<u>(29,129)</u>	<u>(14,543)</u>
Income tax expense	72	81	1,032	248
Loss net of tax, representing total comprehensive loss for the period	<u>(4,302)</u>	<u>(4,535)</u>	<u>(28,097)</u>	<u>(14,295)</u>
Loss net of tax attributable to owners of the Company	<u>(4,302)</u>	<u>(4,535)</u>	<u>(28,097)</u>	<u>(14,295)</u>
Loss per share - basic and diluted (sen)	<u>(1.29)</u>	<u>(1.36)</u>	<u>(8.45)</u>	<u>(4.30)</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 2021.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of current quarter 30.9.2022 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	174,339	177,136
Right-of-use assets	<u>159,560</u>	<u>163,911</u>
	<u>333,899</u>	<u>341,047</u>
<b>Current Assets</b>		
Inventories	12,652	12,575
Trade and other receivables	3,037	40,800
Income tax recoverable	285	285
Deposits, bank and cash balances	<u>15,536</u>	<u>10,564</u>
	31,510	64,224
Assets held for sale	<u>-</u>	<u>6,500</u>
	<u>31,510</u>	<u>70,724</u>
<b>TOTAL ASSETS</b>	<u>365,409</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	211,589	217,785
Accumulated losses	<u>(74,545)</u>	<u>(52,644)</u>
<b>Total equity</b>	<u>270,055</u>	<u>298,152</u>
<b>Non-current Liabilities</b>		
Lease liabilities	214	496
Bank borrowings	34,325	32,479
Deferred tax liabilities	<u>44,283</u>	<u>45,858</u>
	<u>78,822</u>	<u>78,833</u>
<b>Current Liabilities</b>		
Trade and other payables	13,368	21,919
Lease liabilities	360	379
Bank overdraft	-	3,972
Bank borrowings	1,947	3,609
Income tax payable	<u>857</u>	<u>4,907</u>
	<u>16,532</u>	<u>34,786</u>
<b>Total liabilities</b>	95,354	113,619
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>365,409</u>	<u>411,771</u>
<b>Net Assets Per Share (RM)</b>	0.81	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

	9 months ended 30.9.2022 RM'000	9 months ended 30.9.2021 RM'000
<b>Operating activities</b>		
Loss before tax	(29,129)	(14,543)
Adjustments for:		
Non-cash items	7,891	8,248
Non-operating items	1,704	2,693
Operating cash before changes in working capital	(19,534)	(3,602)
Inventories	(77)	(558)
Receivables	37,763	624
Payables	(8,566)	6,658
Taxes paid	(4,593)	(2,820)
Net cash from operating activities	<u>4,993</u>	<u>302</u>
<b>Investing activities</b>		
Interest received	202	43
Purchase of property, plant and equipment	(728)	(111)
Proceeds from disposal of assets held for sale	6,500	-
Net cash from/(used in) investing activities	<u>5,974</u>	<u>(68)</u>
<b>Financing activities</b>		
Fixed deposits pledged for banking facilities	(33)	(34)
Interest paid	(1,151)	(1,036)
Repayment of:		
- lease liabilities	(300)	(321)
- term loan	(572)	-
Net cash used in financing activities	<u>(2,056)</u>	<u>(1,391)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,911</b>	<b>(1,157)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,177</b>	<b>3,083</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>12,088</u></b>	<b><u>1,926</u></b>
Cash and cash equivalents comprise:		
Cash and bank balances	15,536	9,294
Less : Bank overdraft	-	(3,963)
: Fixed deposits pledged	(3,448)	(3,405)
	<u>12,088</u>	<u>1,926</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 ----->					Total RM'000
	<----- Non-distributable ----->		<----- Distributable ----->			
	Share capital RM'000	Treasury shares RM'000	Asset revaluation reserve RM'000	Capital reserve RM'000	Accumulated losses RM'000	
At 1 January 2021	142,188	(9,177)	248,367	21,455	(22,965)	379,868
Loss net of tax for the period	-	-	-	-	(14,295)	(14,295)
Other comprehensive loss for the period	-	-	(6,572)	-	-	(6,572)
Total comprehensive loss for the period	-	-	(6,572)	-	(14,295)	(20,867)
Realisation of asset revaluation reserve	-	-	(1,879)	-	1,879	-
At 30 September 2021	142,188	(9,177)	239,916	21,455	(35,381)	359,001
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	-	-	-	-	(28,097)	(28,097)
Realisation of asset revaluation reserve	-	-	(6,196)	-	6,196	-
At 30 September 2022	142,188	(9,177)	190,134	21,455	(74,545)	270,055

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 third 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 third 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 third quarter of 2022.

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

There were no payment of dividends in the third 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 September was as follows:

	Property		Hotel		Corporate		Adjustments and eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	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	2,540	2,117	12,136	3,588	-	-	-	-	14,676	5,705
Inter-segment	-	-	-	-	900	900	(900)	(900)	-	-
<b>Total revenue</b>	<b>2,540</b>	<b>2,117</b>	<b>12,136</b>	<b>3,588</b>	<b>900</b>	<b>900</b>	<b>(900)</b>	<b>(900)</b>	<b>14,676</b>	<b>5,705</b>
<b>Results</b>										
Segment loss	(22,424)	(4,452)	(2,800)	(5,436)	(2,201)	(1,962)	(1,704)	(2,693)	(29,129)	(14,543)
<b>Segment assets</b>	<b>241,217</b>	<b>385,743</b>	<b>123,429</b>	<b>127,046</b>	<b>763</b>	<b>1,578</b>	<b>-</b>	<b>-</b>	<b>365,409</b>	<b>514,367</b>
<b>Segment liabilities</b>	<b>49,775</b>	<b>101,287</b>	<b>37,223</b>	<b>36,679</b>	<b>8,356</b>	<b>17,400</b>	<b>-</b>	<b>-</b>	<b>95,354</b>	<b>155,366</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 third quarter of 2022, there were no changes in the composition of the Group.

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

In the third 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 third quarter of 2022.

14.) **Significant Related Party Transactions**

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

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

**I.) Review of Performance - 2022 Third Quarter (2022Q3) compared to 2021 Third Quarter (2021Q3)**

	Individual quarter 3 months ended		Changes	
	30.9.2022	30.9.2021	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	5,640	1,350	4,290	318%
Loss before interest and tax	(3,695)	(3,711)	16	0%
Loss before tax	(4,374)	(4,616)	242	5%
Loss after tax	(4,302)	(4,535)	233	5%
Loss attributable to owners of the Company	(4,302)	(4,535)	233	5%

For the 3 months ended 30 September 2022, the Group's total revenue rose fourfold to RM5.64 million from RM1.35 million for the same period in 2021 on higher contribution from the hotel segment. Throughout the period, the Group's hotel business activities can be seen gaining traction as the country's hospitality sector entered the post pandemic recovery phase, leading to increase in revenue from RM0.73 million in previous year period to RM4.74 million in the current quarter. Boosted by the return of demand for travel, our hotel recorded higher average daily rate and stronger occupancy, driven mostly by the domestic business and leisure market. Non-room revenue also grew significantly from the previous year period supported by higher bookings for group events, notably seminars, meetings and other food & beverage functions. Revenue from the property investment segment edged up by RM0.28 million from a year earlier due to higher income from car park.

The Group sustained a narrower loss of RM4.30 million for the current quarter against a loss of RM4.53 million in the prior year period on the back of a gradual business recovery of our hotel segment from the pandemic.

**II.) Review of 2022 Third Quarter (2022Q3) against 2022 Second Quarter (2022Q2)**

	Individual quarter 3 months ended		Changes	
	30.9.2022	30.6.2022	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	5,640	5,232	408	8%
Loss before interest and tax	(3,695)	(13,452)	9,757	73%
Loss before tax	(4,374)	(14,057)	9,683	69%
Loss after tax	(4,302)	(13,978)	9,676	69%
Loss attributable to owners of the Company	(4,302)	(13,978)	9,676	69%

In the third quarter to 30 September 2022, the Group's revenue improved by 7.8% to RM5.64 million from RM5.23 million in the prior quarter reflecting the progress in recovery of business by our hotel segment post pandemic. Despite challenges facing the hospitality industry, our hotel's revenue increased to RM4.74 million versus RM4.39 million three months ago on strong demand for rooms throughout the period. The higher room revenue was driven by occupancy and rate gains across all customer segments as more domestic business travel and corporate bookings returned. Revenue from the property investment segment was marginally higher than prior quarter due to increase in car park income.

Loss for the current quarter was RM4.30 million which is narrower than the loss of RM13.98 million in the last quarter due primarily to higher operating profit and lower expenses.

### III.) Prospects

The recovery in our Group's business come across the challenging backdrop of persistent inflation, rising interest rate, recession fears, labour crunch and other economic concerns. Therefore we remain cautious on the outlooks for the remaining period of the current financial year. We shall continue with our two-pronged strategy in active pricing and cost management to maintain our business volume and operating profit margin.

### 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 third quarter of 2022.

### VIII.) Loss from Operations

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
Loss from operations is stated after charging/(crediting):-				
Depreciation of property, plant and equipment	1,148	1,266	3,525	3,807
Depreciation of right-of-use assets	1,449	1,462	4,351	4,441
Interest income	(55)	(16)	(202)	(43)

### IX.) Income Tax Expense

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.9.2022 RM'000	30.9.2021 RM'000	30.9.2022 RM'000	30.9.2021 RM'000
Income tax				
Under provision in prior year	(6)	-	(6)	-
Real property gains tax	-	-	(537)	-
Deferred taxation				
Deferred tax relating to net surplus on revaluation of land and buildings	78	81	1,575	248
	<u>72</u>	<u>81</u>	<u>1,032</u>	<u>248</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 third quarter of 2022.

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

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

	Current RM'000	Non-current RM'000	Total borrowings RM'000
Term loans (secured)	1,947	34,325	36,272
Lease liabilities	360	214	574
<b>Total borrowings</b>	<b>2,307</b>	<b>34,539</b>	<b>36,846</b>

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

	Current RM'000	Non-current RM'000	Total borrowings RM'000
Bank overdraft (secured)	3,963	-	3,963
Term loans (secured)	17,338	33,031	50,369
Lease liabilities	355	525	880
<b>Total borrowings</b>	<b>21,656</b>	<b>33,556</b>	<b>55,212</b>

XIII.) **Dividends**

The Board of Directors did not recommend or paid any dividend for the third 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.

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Loss net of tax attributable to owners of the Company (RM'000)	(4,302)	(4,535)	(28,097)	(14,295)
Weighted average number of ordinary shares ('000)	332,421	332,421	332,421	332,421
Basic and diluted loss per share (sen)	(1.29)	(1.36)	(8.45)	(4.30)

XV.) **Comparative Figures**

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

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
<b>Segment information</b>			
<b>Segment assets</b>			
Property	383,162	2,581	385,743
Hotel	122,770	4,276	127,046
Corporate	8,435	(6,857)	1,578