

**LIEN HOE CORPORATION BERHAD**

Registration No. 196901000161 (8507-X)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2024**

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	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	7,155	5,678	7,155	5,678
Cost of sales	(3,397)	(3,258)	(3,397)	(3,258)
Gross profit	3,758	2,420	3,758	2,420
Other income	17	36	17	36
Operating and administrative expenses	(5,696)	(6,378)	(5,696)	(6,378)
Loss from operations	(1,921)	(3,922)	(1,921)	(3,922)
Finance cost	(674)	(710)	(674)	(710)
Loss before tax	(2,595)	(4,632)	(2,595)	(4,632)
Income tax expense	78	79	78	79
Loss net of tax, representing total comprehensive loss for the period	(2,517)	(4,553)	(2,517)	(4,553)
Loss per share - basic and diluted (sen)	(0.76)	(1.37)	(0.76)	(1.37)

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 2023.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of current quarter 31.3.2024 RM'000	As at preceding financial year end 31.12.2023 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	168,786	169,218
Right-of-use assets	<u>151,331</u>	<u>152,686</u>
	<u>320,117</u>	<u>321,904</u>
<b>Current Assets</b>		
Inventories	12,614	12,624
Trade and other receivables	2,032	1,763
Deposits, bank and cash balances	<u>4,112</u>	<u>6,539</u>
	<u>18,758</u>	<u>20,926</u>
<b>TOTAL ASSETS</b>	<u>338,875</u>	<u>342,830</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	207,684	208,335
Accumulated losses	<u>(94,308)</u>	<u>(92,442)</u>
<b>Total equity</b>	<u>246,387</u>	<u>248,904</u>
<b>Non-current Liabilities</b>		
Lease liabilities	67	75
Bank borrowings	28,206	29,271
Deferred tax liabilities	<u>43,813</u>	<u>43,891</u>
	<u>72,086</u>	<u>73,237</u>
<b>Current Liabilities</b>		
Trade and other payables	15,936	16,215
Lease liabilities	67	107
Bank borrowings	<u>4,399</u>	<u>4,367</u>
	<u>20,402</u>	<u>20,689</u>
<b>Total liabilities</b>	92,488	93,926
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>338,875</u>	<u>342,830</u>
<b>Net Assets Per Share (RM)</b>	0.74	0.75

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31.3.2024 RM'000	3 months ended 31.3.2023 RM'000
<b>Operating activities</b>		
Loss before tax	(2,595)	(4,632)
Adjustments for:		
Non-cash items	2,084	2,586
Non-operating items	657	681
Operating cash before changes in working capital	146	(1,365)
Inventories	10	20
Receivables	(269)	(203)
Payables	(279)	176
Net taxes paid	-	(92)
Net cash used in operating activities	(392)	(1,464)
<b>Investing activities</b>		
Interest received	17	29
Purchase of property, plant and equipment	(297)	(10)
Net cash (used in)/from investing activities	(280)	19
<b>Financing activities</b>		
Decrease/(Increase) in fixed deposits pledged to licensed banks	559	(24)
Interest paid	(674)	(710)
Repayment of:		
- lease liabilities	(48)	(85)
- bank borrowings	(1,033)	-
Net cash used in financing activities	(1,196)	(819)
<b>Net decrease in cash and cash equivalents</b>	(1,868)	(2,264)
<b>Cash and cash equivalents at beginning of period</b>	3,532	4,293
<b>Cash and cash equivalents at end of period</b>	1,664	2,029
Cash and cash equivalents comprise:		
Cash and bank balances	4,112	8,761
Less : Fixed deposits pledged to licensed banks	(2,448)	(4,490)
Debt service reserve account	-	(2,242)
	1,664	2,029

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to owners of the Company ----->					
	<----- Non-distributable ----->		<----- Distributable ----->			
	Share capital	Treasury	Asset	Capital	Accumulated	Total
	RM'000	shares	revaluation	reserve	losses	RM'000
	RM'000	RM'000	reserve	RM'000	RM'000	RM'000
At 1 January 2023	142,188	(9,177)	189,483	21,455	(79,871)	264,078
Loss net of tax, representing total comprehensive loss for the period	-	-	-	-	(4,553)	(4,553)
Realisation of asset revaluation reserve	-	-	(651)	-	651	-
At 31 March 2023	<u>142,188</u>	<u>(9,177)</u>	<u>188,832</u>	<u>21,455</u>	<u>(83,773)</u>	<u>259,525</u>
At 1 January 2024	142,188	(9,177)	186,880	21,455	(92,442)	248,904
Loss net of tax, representing total comprehensive loss for the period	-	-	-	-	(2,517)	(2,517)
Realisation of asset revaluation reserve	-	-	(651)	-	651	-
At 31 March 2024	<u>142,188</u>	<u>(9,177)</u>	<u>186,229</u>	<u>21,455</u>	<u>(94,308)</u>	<u>246,387</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 2023.

## 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 2023. 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 2023.

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 2023.

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 2024, 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 2024.

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

The auditors' report on the Group's financial statements for the year ended 31 December 2023 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 2024, 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 2024.

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

There were no payment of dividends in the first quarter of 2024.

### 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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	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	1,018	939	6,137	4,739	-	-	-	-	7,155	5,678
Inter-segment	-	-	-	-	300	300	(300)	(300)	-	-
<b>Total revenue</b>	<b>1,018</b>	<b>939</b>	<b>6,137</b>	<b>4,739</b>	<b>300</b>	<b>300</b>	<b>(300)</b>	<b>(300)</b>	<b>7,155</b>	<b>5,678</b>
<b>Results</b>										
Segment loss	(1,815)	(2,313)	(251)	(1,776)	(529)	(543)	-	-	(2,595)	(4,632)
<b>Segment assets</b>	<b>224,057</b>	<b>232,040</b>	<b>114,201</b>	<b>120,687</b>	<b>617</b>	<b>428</b>	<b>-</b>	<b>-</b>	<b>338,875</b>	<b>353,155</b>
<b>Segment liabilities</b>	<b>57,217</b>	<b>54,713</b>	<b>33,331</b>	<b>36,373</b>	<b>1,940</b>	<b>2,544</b>	<b>-</b>	<b>-</b>	<b>92,488</b>	<b>93,630</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 2024, there were no changes in the composition of the Group.

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

In the first quarter of 2024, 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 2024.

14.) **Significant Related Party Transactions**

The Group has no significant related party transactions in the first quarter of 2024.

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

**I.) Review of Performance - 2024 First Quarter (2024Q1) compared to 2023 First Quarter (2023Q1)**

	Individual quarter 3 months ended		Changes	
	31.3.2024 RM'000	31.3.2023 RM'000	RM'000	%
Revenue	7,155	5,678	1,477	26%
Loss before interest and tax	(1,921)	(3,922)	2,001	51%
Loss before tax	(2,595)	(4,632)	2,037	44%
Loss after tax	(2,517)	(4,553)	2,036	45%
Loss attributable to owners of the Company	(2,517)	(4,553)	2,036	45%

During the first quarter to 31 March 2024, the Group's total revenue rose by 26.0% to RM7.16 million from RM5.68 million in the same period last year driven by stronger performance of the hotel segment. The hotel segment posted total sales of RM6.14 million in this quarter, up 29.5% year-on-year amid higher demand for both room and non-room services. As Malaysia sees 32.5% surge in foreign visitor arrivals in the first quarter of this year, our hotel experienced an upsurge in room reservations by the local travel agents for inbound tourists notably from China leading to a growth in revenue from sales of rooms. Similarly robust activities were also seen in group events such as seminars and meetings from the corporate and government sectors during the first month of this quarter, uplifting the sales in food and beverage as compared with previous year same quarter. Revenue from the property investment segment also increased by 8.5% to RM1.02 million from RM0.94 million in prior year same quarter due to additional rental income from a new tenancy which commenced in January 2024.

Net loss for this quarter narrowed to RM2.52 million from RM4.55 million in the previous year same quarter due mostly to higher operating profit from the hotel segment and lower depreciation charge.

**II.) Review of 2024 First Quarter (2024Q1) against 2023 Fourth Quarter (2023Q4)**

	Individual quarter 3 months ended		Changes	
	31.3.2024 RM'000	31.12.2023 RM'000	RM'000	%
Revenue	7,155	7,555	(400)	(5%)
Loss before interest and tax	(1,921)	(1,799)	(122)	(7%)
Loss before tax	(2,595)	(2,497)	(98)	(4%)
Loss after tax	(2,517)	(2,418)	(99)	(4%)
Loss attributable to owners of the Company	(2,517)	(2,418)	(99)	(4%)

In the 3 months to 31 March 2024, the Group's total revenue declined by 5.3% to RM7.16 million from RM7.56 million in the preceding quarter on weaker contribution from the hotel segment. The performance of the hotel segment was weighed down by seasonality trend in sales, with a dip observed in January and February every year as business travel and corporate events generally slow down during this period which include the Chinese New Year holiday. Reflecting the low season for business travel and activities, our hotel saw softer room occupancy and lower sales in food and beverage events resulting in total sales for this quarter decreased by 8.2% to RM6.14 million against RM6.69 million in the prior quarter. There was an increase of RM0.16 million in the revenue of the property investment segment from RM0.86 million in the last quarter to RM1.02 million in this quarter as a result of the additional rental income from a new tenancy which commenced in January 2024.

The Group sustained a higher loss of RM2.52 million in this period compared to the loss of RM2.42 million in the prior quarter mainly due to lower operating profit from the hotel segment.

**III.) Prospects**

Notwithstanding the prevailing challenges posed by heightened local competition and uncertain economic climate, the overall operating conditions for the Group's hotel business are expected to remain generally positive for the rest of the year, underpinned by the uptrend in demand from key markets boosted by entry visa exemption and improved flight connectivity. The Group will continue to ramp up marketing strategies and leverage on our strengths across various sales and marketing channels to drive revenue growth.

**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.) Loss from Operations**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Loss from operations is stated after charging/(crediting):-				
Depreciation of property, plant and equipment	729	1,167	729	1,167
Depreciation of right-of-use assets	1,355	1,420	1,355	1,420
Interest income	(17)	(29)	(17)	(29)

**VIII.) 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 2024.

**IX.) Material Litigation**

The Company was served on 26 February 2024 an originating summons dated 22 February 2024 in which the Company is named as one of the defendants by Belastra Sdn Bhd and Lim Yew Keng as plaintiffs in relation to the sale and purchase of the Company's shares between the said plaintiffs and a shareholder.

There is no claims made against the Company in the said summons and as far as the Company is aware, there is no financial and operational impact to the Company arising from this summons. The Company is seeking the necessary legal advice to defend the summons.

**X.) Significant Event**

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

**XI.) Income Tax Expense**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Deferred tax relating to net surplus on revaluation of land and buildings	78	79	78	79

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

A.) Group borrowings/debt securities as at 31 March 2024 were :-

	Current RM'000	Non-current RM'000	Total borrowings RM'000
Term loans (secured)	4,399	28,206	32,605
Lease liabilities	67	67	134
Total borrowings	<u>4,466</u>	<u>28,273</u>	<u>32,739</u>

B.) Group borrowings/debt securities as at 31 March 2023 were :-

	Current RM'000	Non-current RM'000	Total borrowings RM'000
Term loans (secured)	3,698	32,573	36,271
Lease liabilities	267	120	387
Total borrowings	<u>3,965</u>	<u>32,693</u>	<u>36,658</u>

**XIII.) Dividends**

The Board of Directors did not recommend or paid any dividend for the first quarter of 2024.

**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 3 months ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
Loss net of tax attributable to owners of the Company (RM'000)	<u>(2,517)</u>	<u>(4,553)</u>	<u>(2,517)</u>	<u>(4,553)</u>
Weighted average number of ordinary shares ('000)	<u>332,420</u>	<u>332,420</u>	<u>332,420</u>	<u>332,420</u>
Basic and diluted loss per share (sen)	<u>(0.76)</u>	<u>(1.37)</u>	<u>(0.76)</u>	<u>(1.37)</u>