

HARN LEN CORPORATION BHD (502606-H)

Financial Year End : 31 December 2017
 Quarter : Third Quarter

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Preceding year	Current year	Preceding year
	30/9/2017	corresponding quarter 30/9/2016	to date 30/9/2017	corresponding period 30/9/2016
	RM	RM	RM	RM
Revenue	104,855,764	91,702,216	224,024,844	188,843,328
Cost of sales	(75,387,216)	(63,467,641)	(160,422,242)	(147,126,424)
Gross profit	<u>29,468,548</u>	<u>28,234,575</u>	<u>63,602,602</u>	<u>41,716,904</u>
Other income	(369,831)	274,049	12,809,861	400,855
Distribution expenses	(7,266,281)	(7,510,320)	(15,693,760)	(14,286,480)
Administrative expenses	(7,268,060)	(6,934,205)	(34,463,905)	(20,022,551)
Depreciation and amortisation	(5,206,445)	(4,921,179)	(15,360,356)	(14,711,286)
Other expenses	(101,272)	-	(134,298)	-
Results from operating activities	<u>9,256,659</u>	<u>9,142,920</u>	<u>10,760,144</u>	<u>(6,902,558)</u>
Finance costs	(1,801,443)	(1,363,908)	(4,748,295)	(3,848,230)
Interest income	2,409	2,398	7,122	7,296
Profit/(Loss) before tax	<u>7,457,625</u>	<u>7,781,410</u>	<u>6,018,971</u>	<u>(10,743,492)</u>
Income tax expense	(845,466)	(3,432,133)	(2,553,157)	(1,366,431)
Profit/total comprehensive income/(loss) for the period	<u>6,612,159</u>	<u>4,349,277</u>	<u>3,465,814</u>	<u>(12,109,923)</u>
Profit/(loss) attributable to ;				
Owners of the Company	5,712,497	3,170,078	2,291,493	(11,831,148)
Non-controlling interests	899,662	1,179,199	1,174,321	(278,775)
Profit/ (loss) for the period	<u>6,612,159</u>	<u>4,349,277</u>	<u>3,465,814</u>	<u>(12,109,923)</u>
Total comprehensive profit/(loss) attributable to:-				
Owners of the company	5,712,497	3,170,078	2,291,493	(11,831,148)
Non controlling interest	899,662	1,179,199	1,174,321	(278,775)
Total comprehensive profit/(loss) for the period	<u>6,612,159</u>	<u>4,349,277</u>	<u>3,465,814</u>	<u>(12,109,923)</u>
Earnings/(loss) per share attributable to owners of the Company				
Basic earnings/(loss) per share(sen)	3.19	1.76	1.28	(6.51)
Weighted average number of shares	179,271,906	179,937,159	179,712,509	181,777,909

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.
 Note: The Minority shareholders have a binding obligation to absorb the loss and have the ability to make good or absorb the losses incurred as provided in the Joint Venture Agreement.

HARN LEN CORPORATION BHD (502606-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	As at 30/9/2017 (Unaudited)	As at 31/12/2016 (Audited)
	RM	RM
Assets		
Property, plant and equipment	251,242,987	269,978,440
Biological assets	165,297,713	151,650,474
Investment property	61,186,738	39,474,264
Deferred tax assets	5,177,888	4,253,354
Goodwill	5,794,799	5,794,799
Total non-current assets	<u>488,700,125</u>	<u>471,151,331</u>
Inventories	8,006,184	7,414,030
Trade and other receivables	38,974,964	14,205,638
Prepayments and other assets	621,615	912,514
Cash and cash equivalents	5,550,696	3,474,684
Total current assets	<u>53,153,459</u>	<u>26,006,866</u>
Total assets	<u><u>541,853,584</u></u>	<u><u>497,158,197</u></u>
Equity		
Share capital	185,477,159	185,477,159
Share premium	6,634,854	6,634,854
Reserves	128,207,713	125,916,220
Treasury shares	(8,798,795)	(5,044,265)
Total equity attributable to owners of the company	<u>311,520,931</u>	<u>312,983,968</u>
Non-controlling interests	(9,133,224)	(10,307,545)
Total equity	<u>302,387,707</u>	<u>302,676,423</u>
Liabilities		
Long term borrowings	51,850,093	45,501,094
Hire purchase creditors	1,625,567	3,873,106
Deferred tax liabilities	20,785,000	20,854,000
Employees benefits	848,000	848,000
Deferred payables	17,174,170	17,014,998
Total non-current liabilities	<u>92,282,830</u>	<u>88,091,198</u>
Short term borrowings	49,981,397	42,901,506
Trade and other payables	93,259,456	59,889,057
Hire purchase creditors	3,295,194	3,599,376
Taxation	647,000	637
Total current liabilities	<u>147,183,047</u>	<u>106,390,576</u>
Total liabilities	239,465,877	194,481,774
Total equity and liabilities	<u><u>541,853,584</u></u>	<u><u>497,158,197</u></u>
Net assets per share (sen)	167.96	168.75

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

HARN LEN CORPORATION BHD (502606-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR-TO-DATE ENDED
30 SEPTEMBER 2017

	30/9/2017 RM	30/9/2016 RM
<u>Cash flow from operating activities</u>		
Profit/ (loss) before tax	6,018,971	(10,743,492)
Adjustments for:-		
Depreciation	15,360,356	14,711,286
Finance costs	4,748,295	3,848,230
Bad debts written off	5,107	-
Interest received	-	(7,296)
Gain from sale of investment	(700,990)	-
Operating profit before changes in working capital	<u>25,431,739</u>	<u>7,808,728</u>
<u>(Increase)/ Decrease in working capital</u>		
Change in inventories	(592,154)	(2,145,307)
Change in trade debtors and other receivables	(24,769,324)	2,042,634
Change in trade creditors and other payables	33,529,572	19,239,028
Cash generated from/(used in) operations	<u>33,599,833</u>	<u>26,945,083</u>
Income tax (paid) /refund	(2,610,494)	(1,481,002)
Finance expenses paid	(4,748,295)	(3,848,230)
Net cash generated from/(used in) operating activities	<u>26,241,044</u>	<u>21,615,851</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(28,388,313)	(5,509,685)
Purchase of investment property	(276,000)	(16,750,830)
Purchase of biological assets	(15,981,357)	(16,761,187)
Proceeds from sale of investment	13,600,000	-
Proceeds from non-controlling interest in subsidiary company	-	25
Interest received	7,122	7,296
Increase in fixed deposit	(7,122)	(7,296)
Net cash generated from/(used in) investing activities	<u>(31,045,670)</u>	<u>(39,021,677)</u>
<u>Financing activities</u>		
Treasury shares	(3,754,530)	(5,043,321)
Repayment of loans and borrowings	(744,941)	(348,988)
Payment of finance lease liabilities	(2,811,812)	(2,717,172)
Dividends paid to owners of Company	-	-
Drawdown of term loan	10,800,000	28,908,028
Net utilisation of bank overdraft	3,384,800	(10,370,089)
Net cash generated from/(used in) financing activities	<u>6,873,517</u>	<u>10,428,458</u>
Net increase/(decrease) in cash and bank balances	2,068,891	(6,977,368)
Cash and bank balances at beginning of period	3,116,168	10,101,384
Cash and bank balances at end of period	<u><u>5,185,059</u></u>	<u><u>3,124,016</u></u>
Cash and cash equivalents consist of the following:		
Cash and bank balances	5,550,696	3,460,206
Less: Deposits with licensed banks	(365,637)	(336,190)
	<u><u>5,185,059</u></u>	<u><u>3,124,016</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2017

	Share Capital RM	Share Premium RM	Capital Reserves RM	Retained Profit/(loss) RM	Treasury Shares RM	Total RM	Non-controlling interests RM	Total Equity RM
As at 1 January 2017	185,477,159	6,634,854	6,268,000	119,648,220	(5,044,265)	312,983,968	(10,307,545)	302,676,423
Total comprehensive income/ (loss) for the period				2,291,493		2,291,493	1,174,321	3,465,814
Treasury shares					(3,754,530)	(3,754,530)		(3,754,530)
As at 30 September 2017	<u>185,477,159</u>	<u>6,634,854</u>	<u>6,268,000</u>	<u>121,939,713</u>	<u>(8,798,795)</u>	<u>311,520,931</u>	<u>(9,133,224)</u>	<u>302,387,707</u>
As at 1 January 2016	185,477,159	6,634,854	6,268,000	127,988,051	(944)	326,367,120	(13,764,989)	312,602,131
Total comprehensive income / (loss) for the period				(11,831,148)		(11,831,148)	(278,775)	(12,109,923)
Treasury shares					(5,043,321)	(5,043,321)		(5,043,321)
Non-controlling interest							25	25
As at 30 September 2016	<u>185,477,159</u>	<u>6,634,854</u>	<u>6,268,000</u>	<u>116,156,903</u>	<u>(5,044,265)</u>	<u>309,492,651</u>	<u>(14,043,739)</u>	<u>295,448,912</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 2016 and the accompanying notes attached to the interim financial statements.

Part A2-SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>30/9/2017</u>	<u>30/9/2016</u>	<u>30/9/2017</u>	<u>30/9/2016</u>
	RM '000	RM '000	RM '000	RM '000
1 Revenue	104,856	91,702	224,025	188,843
2 Profit/(Loss) before taxation	7,458	7,781	6,019	(10,743)
3 Profit/(Loss) for the period	6,612	4,349	3,466	(12,110)
4 Profit/(Loss) attributable to ordinary equity holders of the parent	5,712	3,170	2,291	(11,831)
5 EPS-Basic (sen)	3.19	1.76	1.28	(6.51)
6 Proposed/ Declared Dividend per share (sen)	-	-	-	-

AS AT END OF
CURRENT QUARTER
(UNAUDITED)
30/9/2017
RM

AS AT END OF
FINANCIAL YEAR END
(AUDITED)
31/12/2016
RM

7 Net assets per share attributable to ordinary shareholders of the parent	1.68	1.69
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Remarks: Note 7-Net assets per share attributable to ordinary shareholders of the parent is calculated based on issued and fully paid-up 185,477,159 ordinary shares.

Part A3-ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>30/9/2017</u>	<u>30/9/2016</u>	<u>30/9/2017</u>	<u>30/9/2016</u>
	RM '000	RM '000	RM '000	RM '000
1 Gross interest income	2	2	7	7
2 Gross interest expenses	(1,801)	(1,364)	(4,748)	(3,848)

Note: The explanatory notes should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying notes to the interim financial statements.