

HARN LEN CORPORATION BHD (502606-H)

Financial Year End : 31 December 2017
 Quarter : Fourth Quarter

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	RM	RM	RM	RM
Revenue	101,995,048	81,369,080	326,019,892	270,212,408
Cost of sales	(66,733,102)	(55,276,770)	(227,155,344)	(202,403,194)
Gross profit	35,261,946	26,092,310	98,864,548	67,809,214
Other income	412,353	6,450,813	13,222,214	6,851,668
Distribution expenses	(6,942,904)	(6,298,379)	(22,636,664)	(20,584,859)
Administrative expenses	(11,322,155)	(6,869,228)	(45,786,060)	(26,891,779)
Depreciation and amortisation	(5,492,928)	(5,318,863)	(20,853,284)	(20,030,149)
Other expenses	(13,902)	-	(148,200)	-
Results from operating activities	11,902,410	14,056,653	22,662,554	7,154,095
Finance costs	(2,095,064)	(1,346,523)	(6,843,359)	(5,194,753)
Interest income	2,401	2,325	9,523	9,621
Profit /(Loss) before tax	9,809,747	12,712,455	15,828,718	1,968,963
Income tax expense	(5,500,540)	(5,484,919)	(8,053,697)	(6,851,350)
Profit/total comprehensive income/(loss) for the period	4,309,207	7,227,536	7,775,021	(4,882,387)
Profit/(loss) attributable to ;				
Owners of the Company	4,879,537	3,491,317	7,171,030	(8,339,831)
Non-controlling interests	(570,330)	3,736,219	603,991	3,457,444
Profit/ (loss) for the period	4,309,207	7,227,536	7,775,021	(4,882,387)
Total comprehensive profit/(loss) attributable to:-				
Owners of the company	4,879,537	3,491,317	7,171,030	(8,339,831)
Non controlling interest	(570,330)	3,736,219	603,991	3,457,444
Total comprehensive profit/(loss) for the period	4,309,207	7,227,536	7,775,021	(4,882,387)
Earnings/(loss) per share attributable to owners of the Company				
Basic earnings/(loss) per share(sen)	2.81	1.94	4.02	(4.59)
Weighted average number of shares	173,774,079	179,937,159	178,215,700	181,777,576

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 31 DECEMBER 2017

	<u>As at 31/12/2017</u> (Unaudited)	<u>As at 31/12/2016</u> (Audited)
	RM	RM
<u>Assets</u>		
Property, plant and equipment	256,165,306	265,894,088
Biological assets	170,145,314	155,855,902
Investment property	43,276,932	39,353,185
Deferred tax assets	1,704,041	4,253,354
Goodwill	5,794,799	5,794,799
Total non-current assets	<u>477,086,392</u>	<u>471,151,328</u>
Inventories	9,893,128	7,414,030
Trade and other receivables	57,714,409	14,161,564
Prepayments and other assets	983,022	912,514
Cash and cash equivalents	4,914,879	3,474,684
Total current assets	<u>73,505,438</u>	<u>25,962,792</u>
Total assets	<u><u>550,591,830</u></u>	<u><u>497,114,120</u></u>
<u>Equity</u>		
Share capital	185,477,159	185,477,159
Share premium	6,634,854	6,634,854
Reserves	133,087,250	125,916,220
Treasury shares	(9,869,075)	(5,044,265)
Total equity attributable to owners of the company	<u>315,330,188</u>	<u>312,983,968</u>
Non-controlling interests	(9,703,554)	(10,307,545)
Total equity	<u>305,626,634</u>	<u>302,676,423</u>
<u>Liabilities</u>		
Long term borrowings	50,593,463	45,779,094
Hire purchase creditors	1,454,975	3,873,106
Deferred tax liabilities	21,710,000	20,854,000
Employees benefits	897,000	848,000
Deferred payables	17,700,969	17,014,998
Total non-current liabilities	<u>92,356,407</u>	<u>88,369,198</u>
Short term borrowings	50,976,307	42,623,504
Trade and other payables	98,705,939	59,844,982
Hire purchase creditors	2,923,643	3,599,376
Taxation	2,900	637
Total current liabilities	<u>152,608,789</u>	<u>106,068,499</u>
Total liabilities	<u>244,965,196</u>	<u>194,437,697</u>
Total equity and liabilities	<u><u>550,591,830</u></u>	<u><u>497,114,120</u></u>
Net assets per share (sen)	170.01	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
31 DECEMBER 2017

	31/12/2017 RM	31/12/2016 RM
<u>Cash flow from operating activities</u>		
Profit/ (loss) before tax	15,828,718	1,968,963
<u>Adjustments for:-</u>		
Depreciation	20,853,284	20,030,149
Finance costs	6,843,359	5,194,753
Other expenses/(other income)	-	(5,800,000)
Retirement benefits	49,000	88,000
Fixed assets written off	147,000	-
Bad debts written off / (written back)	(20,656)	-
Gain from sale of investment	(6,917,790)	-
Operating profit before changes in working capital	<u>36,782,915</u>	<u>21,481,865</u>
<u>(Increase)/ Decrease in working capital</u>		
Change in inventories	(2,479,098)	(1,087,292)
Change in trade debtors and other receivables	(43,508,711)	(789,761)
Change in trade creditors and other payables	39,442,015	8,890,858
Cash generated from/(used in) operations	<u>30,237,121</u>	<u>28,495,670</u>
Income tax (paid) /refund	(4,717,692)	(1,744,624)
Finance expenses paid	(6,843,359)	(5,194,753)
Net cash generated from/(used in) operating activities	<u>18,676,070</u>	<u>21,556,293</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(9,859,756)	(7,657,076)
Purchase of investment property	(18,995,379)	(16,750,830)
Purchase of biological assets	(23,179,275)	(24,650,005)
Proceeds from sale of investment	30,116,800	-
Proceeds from non-controlling interest in subsidiary company	-	-
Interest received	9,523	9,621
Increase in fixed deposit	(9,523)	(39,242)
Net cash generated from/(used in) investing activities	<u>(21,917,610)</u>	<u>(49,087,532)</u>
<u>Financing activities</u>		
Treasury shares	(4,824,810)	(5,043,321)
Repayment of loans and borrowings	(1,684,535)	(482,257)
Payment of finance lease liabilities	(3,678,654)	(3,669,477)
Drawdown of term loan	10,800,000	29,092,838
Net utilisation of bank overdraft	4,060,212	648,240
Net cash generated from/(used in) financing activities	<u>4,672,213</u>	<u>20,546,023</u>
Net increase/(decrease) in cash and bank balances	1,430,673	(6,985,216)
Cash and bank balances at beginning of period	3,116,168	10,101,384
Cash and bank balances at end of period	<u><u>4,546,841</u></u>	<u><u>3,116,168</u></u>
Cash and cash equivalents consist of the following:		
Cash and bank balances	4,914,879	3,474,684
Less: Deposits with licensed banks	(368,038)	(358,516)
	<u><u>4,546,841</u></u>	<u><u>3,116,168</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 31 DECEMBER 2017

	<u>Share Capital RM</u>	<u>Share Premium RM</u>	<u>Capital Reserves RM</u>	<u>Retained Profit/(loss) RM</u>	<u>Treasury Shares RM</u>	<u>Total RM</u>	<u>Non-controlling interests RM</u>	<u>Total Equity RM</u>
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	-	-	-	7,171,030	-	7,171,030	603,991	7,775,021
Treasury shares	-	-	-	-	(4,824,810)	-	-	(4,824,810)
As at 31 December 2017	<u>185,477,159</u>	<u>6,634,854</u>	<u>6,268,000</u>	<u>126,819,250</u>	<u>(9,869,075)</u>	<u>315,330,188</u>	<u>(9,703,554)</u>	<u>305,626,634</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	-	-	-	(8,339,831)	-	(8,339,831)	3,457,444	(4,882,387)
Treasury shares	-	-	-	-	(5,043,321)	-	-	(5,043,321)
As at 31 December 2016	<u>185,477,159</u>	<u>6,634,854</u>	<u>6,268,000</u>	<u>119,648,220</u>	<u>(5,044,265)</u>	<u>312,983,968</u>	<u>(10,307,545)</u>	<u>302,676,423</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	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>31/12/2017</u>	<u>31/12/2016</u>
	RM '000	RM '000	RM '000	RM '000
1 Revenue	101,995	81,369	326,020	270,212
2 Profit/(Loss) before taxation	9,810	12,712	15,829	1,969
3 Profit/(Loss) for the period	4,309	7,228	7,775	(4,882)
4 Profit/(Loss) attributable to ordinary equity holders of the parent	4,880	3,491	7,171	(8,340)
5 EPS-Basic (sen)	2.81	1.94	4.02	(4.59)
6 Proposed/ Declared Dividend per share (sen)	-	-	-	-

AS AT END OF
CURRENT QUARTER
(UNAUDITED)
31/12/2017
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	1.70	1.69
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Part A3-ADDITIONAL INFORMATION

	INDIVIDUAL	QUARTER	CUMULATIVE	QUARTER
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
	<u>31/12/2017</u>	<u>31/12/2016</u>	<u>31/12/2017</u>	<u>31/12/2016</u>
	RM '000	RM '000	RM '000	RM '000
1 Gross interest income	2	2	10	10
2 Gross interest expenses	(2,095)	(1,347)	(6,843)	(5,195)

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.