

HARN LEN CORPORATION BHD (502606-H)

Financial Year End : 31 December 2018
 Quarter : First Quarter

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/3/2018	31/3/2017	31/3/2018	31/3/2017
	RM	RM Restated	RM	RM Restated
Revenue	46,530,181	57,662,084	46,530,181	57,662,084
Cost of sales	(42,012,228)	(47,333,938)	(42,012,228)	(47,333,938)
Gross profit	4,517,953	10,328,146	4,517,953	10,328,146
Other income	649,804	280,257	649,804	280,257
Distribution expenses	(3,741,185)	(4,352,350)	(3,741,185)	(4,352,350)
Administrative expenses	(8,847,101)	(7,589,616)	(8,847,101)	(7,589,616)
Other expenses	-	(1,030,305)	-	(1,030,305)
Results from operating activities	(7,420,529)	(2,363,868)	(7,420,529)	(2,363,868)
Finance costs	(1,688,075)	(1,418,383)	(1,688,075)	(1,418,383)
Interest income	2,443	2,321	2,443	2,321
Loss before tax	(9,106,161)	(3,779,930)	(9,106,161)	(3,779,930)
Income tax credit (expense)	1,273,073	(106,000)	1,273,073	(106,000)
Total comprehensive loss for the period	(7,833,088)	(3,885,930)	(7,833,088)	(3,885,930)
Loss attributable to ;				
Owners of the Company	(7,341,390)	(4,202,100)	(7,341,390)	(4,202,100)
Non-controlling interests	(491,698)	316,170	(491,698)	316,170
Loss for the period	(7,833,088)	(3,885,930)	(7,833,088)	(3,885,930)
Loss per share				
Basic (sen)	(4.24)	(2.34)	(4.24)	(2.34)
Weighted average number of shares	173,222,666	179,936,159	173,222,666	179,936,159

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 2017 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 MARCH 2018

	<u>As at 31/3/2018</u> RM	<u>As at 31/12/2017</u> RM Restated	<u>As at 1/1/2017</u> RM Restated
Assets			
Non-current assets			
Property, plant and equipment	429,060,040	426,310,620	421,749,990
Investment properties	45,517,213	43,276,932	39,353,185
Deferred tax assets	1,672,114	1,704,041	4,253,354
Goodwill on consolidation	5,794,799	5,794,799	5,794,799
Total non-current assets	<u>482,044,166</u>	<u>477,086,392</u>	<u>471,151,328</u>
Current assets			
Biological assets	1,861,094	1,440,393	2,818,050
Inventories	6,419,372	9,893,128	7,414,030
Trade receivables	2,961,070	3,560,749	4,945,661
Other receivables, deposits and prepaid expenses	38,839,370	53,826,496	8,892,193
Amount owing from affiliated companies	479,163	327,164	323,710
Tax recoverable	2,601,825	983,022	912,514
Cash and cash equivalents	2,861,614	4,914,879	3,474,684
Total current assets	<u>56,023,508</u>	<u>74,945,831</u>	<u>28,780,842</u>
Total assets	<u>538,067,674</u>	<u>552,032,223</u>	<u>499,932,170</u>
Equity and liabilities			
Capital and reserves			
Share capital	198,380,013	198,380,013	185,477,159
Reserves	110,949,664	118,291,717	129,900,289
Equity attributable to owners of the company	<u>309,329,677</u>	<u>316,671,730</u>	<u>315,377,448</u>
Non-controlling interests	(10,096,401)	(9,604,703)	(9,882,975)
Total equity	<u>299,233,276</u>	<u>307,067,027</u>	<u>305,494,473</u>
Liabilities			
Non-current liabilities			
Deferred tax liabilities	20,391,000	21,710,000	20,854,000
Retirement benefits	897,000	897,000	848,000
Loans and borrowings	73,293,626	69,749,407	66,667,198
Total non-current liabilities	<u>94,581,626</u>	<u>92,356,407</u>	<u>88,369,198</u>
Current liabilities			
Trade payables	62,412,643	73,922,580	34,999,255
Other payables and accrued expenses	23,478,515	24,437,751	24,688,173
Amount owing to affiliated companies	329,094	345,609	157,554
Tax liabilities	14,637	2,900	637
Loans and borrowings	58,017,883	53,899,949	46,222,880
Total current liabilities	<u>144,252,772</u>	<u>152,608,789</u>	<u>106,068,499</u>
Total liabilities	<u>238,834,398</u>	<u>244,965,196</u>	<u>194,437,697</u>
Total equity and liabilities	<u>538,067,674</u>	<u>552,032,223</u>	<u>499,932,170</u>
Net assets per share (sen)	172.74	172.30	168.06

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 MARCH 2018

	<u>Share Capital</u> RM	<u>Share Premium</u> RM	<u>Treasury Shares</u> RM	<u>Capital Reserves</u> RM	<u>Retained Profit/(loss)</u> RM	<u>Total</u> RM	<u>Non-controlling interests</u> RM	<u>Total Equity</u> RM
At 1 January 2018, as previously reported	198,380,013	-	(9,869,075)	-	126,819,250	315,330,188	(9,703,554)	305,626,634
Effect of change in accounting policy (see Note (a))	-	-	-	-	1,341,542	1,341,542	98,851	1,440,393
At 1 January 2018, as restated	198,380,013	-	(9,869,075)	-	128,160,792	316,671,730	(9,604,703)	307,067,027
Total comprehensive loss for the period	-	-	-	-	(7,341,390)	(7,341,390)	(491,698)	(7,833,088)
Treasury shares	-	-	(663)	-	-	(663)	-	(663)
Balance at 31 March 2018	198,380,013	-	(9,869,738)	-	120,819,402	309,329,677	(10,096,401)	299,233,276
At 1 January 2017, as previously reported	185,477,159	6,634,854	(5,044,265)	6,268,000	119,648,220	312,983,968	(10,307,545)	302,676,423
Effect of change in accounting policy (see Note A2)	-	-	-	-	2,393,480	2,393,480	424,570	2,818,050
At 1 January 2017, as restated	185,477,159	6,634,854	(5,044,265)	6,268,000	122,041,700	315,377,448	(9,882,975)	305,494,473
Total comprehensive (loss) income for the period	-	-	-	-	(4,202,100)	(4,202,100)	316,170	(3,885,930)
Treasury shares	-	-	(934)	-	-	(934)	-	(934)
Transfer arising from "no par value" regime	12,902,854	(6,634,854)	-	(6,268,000)	-	-	-	-
Balance at 31 March 2017	198,380,013	-	(5,045,199)	-	117,839,600	311,174,414	(9,566,805)	301,607,609

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying 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 MARCH 2018

	31/3/2018 RM	31/3/2017 RM Restated
<u>Cash flows from operating activities</u>		
Loss before tax	(9,106,161)	(3,779,930)
<u>Adjustments fo:-</u>		
Depreciation of property, plant & equipment	5,464,339	5,044,503
Finance costs	1,688,075	1,418,383
Amortisation of investment properties	169,719	-
Property, plant & equipment written off	60,080	-
Interest received	(2,443)	(2,321)
(Gain) loss on fair value of biological assets	(420,701)	677,431
Bad debts written off	-	74,107
Loss from sale of investment	-	352,877
Operating (loss) profit before changes in working capital	<u>(2,147,092)</u>	<u>3,785,050</u>
<u>(Increase) Decrease in working capital:-</u>		
Change in inventories	3,473,756	158,416
Change in trade debtors and other receivables	15,586,805	(3,349,726)
Change in trade creditors and other payables	(12,469,173)	7,438,439
Amount owing to affiliated companies	(151,999)	-
Amount owing to affiliated companies	(16,515)	-
Cash generated from operations	<u>4,275,782</u>	<u>8,032,179</u>
Income tax paid	(1,621,066)	(677,590)
Finance expenses paid	(1,641,199)	(1,418,383)
Net cash generated from operating activities	<u>1,013,517</u>	<u>5,936,206</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(7,772,918)	(8,672,871)
Purchase of investment property	(2,410,000)	(276,000)
Interest received	2,443	2,321
Increase in fixed deposit	(2,443)	(2,321)
Net cash generated used in nvesting activities	<u>(10,182,918)</u>	<u>(8,948,871)</u>
<u>Cash flows from financing activities</u>		
Treasury shares	(663)	(934)
Repayment of loans and borrowings	(1,199,080)	(170,299)
Payment of finance lease liabilities	(299,173)	(965,327)
Proceeds of loan	5,284,395	-
Net utilisation of bank overdraft	3,328,214	4,614,861
Net cash generated from financing activities	<u>7,113,693</u>	<u>3,478,301</u>
Net (decrease) increase in cash and bank balances	(2,055,708)	465,636
Cash and bank balances at beginning of period	4,546,840	3,116,168
Cash and bank balances at end of period	<u>2,491,132</u>	<u>3,581,804</u>
Cash and cash equivalents consist of the following:		
Cash and bank balances	2,861,614	3,474,684
Less: Deposits with licensed banks	(370,482)	(358,516)
	<u>2,491,132</u>	<u>3,116,168</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory 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>31/3/2018</u> RM '000 (UNAUDITED)	<u>31/3/2017</u> RM '000 (RESTATED)	<u>31/3/2018</u> RM '000 (UNAUDITED)	<u>31/3/2017</u> RM '000 (RESTATED)
1 Revenue	46,530	57,662	46,530	57,662
2 Profit/(Loss) before taxation	(9,106)	(3,780)	(9,106)	(3,780)
3 Profit/(Loss) for the period	(7,833)	(3,886)	(7,833)	(3,886)
4 Profit/(Loss) attributable to ordinary equity holders of the parent	(7,341)	(4,202)	(7,341)	(4,202)
5 EPS-Basic (sen)	(4.24)	(2.34)	(4.24)	(2.34)
6 Proposed/ Declared Dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER 31/3/2018 RM (UNAUDITED)	AS AT END OF PRECEDING FINANCIAL YEAR END 31/12/2017 RM (RESTATED)	AS AT END OF PRECEDING FINANCIAL YEAR END 1/1/2017 RM (RESTATED)
7 Net assets per share attributable to ordinary shareholders of the parent	1.73	1.72	1.68

Part A3-ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	<u>31/3/2018</u> RM '000	<u>31/3/2017</u> RM '000	<u>31/3/2018</u> RM '000	<u>31/3/2017</u> RM '000
1 Gross interest income	2	2	2	2
2 Gross interest expenses	(1,688)	(1,418)	(1,688)	(1,418)

Note: The summary of key financial information should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying notes to the interim financial statements.