

HARN LEN CORPORATION BHD (502606-H)

Financial Year End : 31 December 2019
 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 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/3/2019	31/3/2018	31/3/2019	31/3/2018
	RM	RM	RM	RM
Revenue	25,765,861	46,530,181	25,765,861	46,530,181
Cost of sales	(20,824,648)	(42,012,228)	(20,824,648)	(42,012,228)
Gross profit	4,941,213	4,517,953	4,941,213	4,517,953
Other income	622,401	649,804	622,401	649,804
Distribution expenses	(2,809,630)	(3,741,185)	(2,809,630)	(3,741,185)
Administrative expenses	(8,906,268)	(8,847,101)	(8,906,268)	(8,847,101)
Other expenses	(362,654)	-	(362,654)	-
Results from operating activities	(6,514,938)	(7,420,529)	(6,514,938)	(7,420,529)
Finance costs	(2,815,042)	(1,688,075)	(2,815,042)	(1,688,075)
Interest income	2,678	2,443	2,678	2,443
Loss before tax	(9,327,302)	(9,106,161)	(9,327,302)	(9,106,161)
Income tax credit	124,321	1,273,073	124,321	1,273,073
Total comprehensive loss for the period	(9,202,981)	(7,833,088)	(9,202,981)	(7,833,088)
Loss attributable to ;				
Owners of the Company	(8,645,694)	(7,341,390)	(8,645,694)	(7,341,390)
Non-controlling interests	(557,287)	(491,698)	(557,287)	(491,698)
Loss for the period	(9,202,981)	(7,833,088)	(9,202,981)	(7,833,088)
Loss per share				
Basic (sen)	(4.99)	(4.24)	(4.99)	(4.24)
Weighted average number of shares	173,219,859	173,222,666	173,219,859	173,222,666

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 2018 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 2019

	<u>As at 31/3/2019</u> RM	<u>As at 31/12/2018</u> RM
Assets		
Non-current assets		
Property, plant and equipment	413,881,310	441,248,978
Investment properties	57,504,525	57,607,024
Right-of-use assets	55,201,239	-
Prepaid lease payment	-	14,687,295
Goodwill on consolidation	5,794,799	5,794,799
Total non-current assets	<u>532,381,873</u>	<u>519,338,096</u>
Current assets		
Biological assets	1,219,533	1,373,627
Inventories	5,902,695	4,885,288
Trade receivables	1,995,417	1,192,846
Other receivables, deposits and prepaid expenses	18,447,401	18,449,584
Amount owing from affiliated companies	1,772,322	1,724,042
Tax recoverable	67,785	590,537
Cash and cash balances	780,789	1,435,981
Assets classified as held for sale	-	18,430,400
Total current assets	<u>30,185,942</u>	<u>48,082,305</u>
Total assets	<u><u>562,567,815</u></u>	<u><u>567,420,401</u></u>
Equity and liabilities		
Capital and reserves		
Share capital	198,380,013	198,380,013
Reserves	88,471,932	97,117,626
Equity attributable to owners of the company	<u>286,851,945</u>	<u>295,497,639</u>
Non-controlling interests	(11,476,535)	(10,919,248)
Total equity	<u>275,375,410</u>	<u>284,578,391</u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	20,698,446	20,981,446
Loans and borrowings	52,975,114	82,794,004
Lease liabilities	38,967,666	-
Total non-current liabilities	<u>112,641,226</u>	<u>103,775,450</u>
Current liabilities		
Trade payables	66,451,588	68,257,315
Other payables and accrued expenses	34,756,120	36,504,793
Amount owing to affiliated companies	1,506,287	16,789,051
Amount owing to director	360,288	510,288
Tax liabilities	1,101,880	385,763
Loans and borrowings	53,980,374	56,619,350
Lease liabilities	16,394,642	-
Total current liabilities	<u>174,551,179</u>	<u>179,066,560</u>
Total liabilities	<u>287,192,405</u>	<u>282,842,010</u>
Total equity and liabilities	<u><u>562,567,815</u></u>	<u><u>567,420,401</u></u>
Net assets per share (sen)	158.97	164.29

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019

	<u>Share Capital</u> RM	<u>Treasury Shares</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 2019	198,380,013	(9,871,127)	106,988,753	295,497,639	(10,919,248)	284,578,391
Total comprehensive loss for the period	-	-	(8,645,694)	(8,645,694)	(557,287)	(9,202,981)
Treasury shares	-	-	-	-	-	-
Balance at 31 March 2019	198,380,013	(9,871,127)	98,343,059	286,851,945	(11,476,535)	275,375,410
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	-	-	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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019

	31/3/2019 RM	31/3/2018 RM
<u>Cash flows from operating activities</u>		
Loss before tax	(9,327,302)	(9,106,161)
Adjustments for:		
Depreciation and amortisation	5,775,369	5,634,058
Finance costs	2,815,042	1,688,075
Property, plant & equipment written off	-	60,080
Interest received	(2,678)	(2,443)
Loss (Gain) on fair value of biological assets	154,094	(420,701)
Oil palm seedling written off	27,501	-
Gain from sale of asset classified as held for sale	(569,600)	-
Operating loss before changes in working capital	<u>(1,127,574)</u>	<u>(2,147,092)</u>
<u>Increase (Decrease) in working capital:-</u>		
Change in inventories	(1,044,908)	3,473,756
Change in trade debtors and other receivables	(800,388)	15,586,805
Change in trade creditors and other payables	(3,554,400)	(12,469,173)
Amount owing from affiliated companies	(48,280)	(151,999)
Amount owing to affiliated companies	(1,275,823)	(16,515)
Cash (used in) generated from operations	<u>(7,851,373)</u>	<u>4,275,782</u>
Income tax paid	(128,020)	(1,621,066)
Income tax refunded	1,208,210	-
Finance expenses paid	(2,749,587)	(1,641,199)
Net cash (used in) from operating activities	<u>(9,520,770)</u>	<u>1,013,517</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(1,333,482)	(7,772,918)
Purchase of investment property	-	(2,410,000)
Proceed from sale of asset classified as held for sale	19,000,000	-
Interest received	2,678	2,443
Increase in fixed deposit	(2,678)	(2,443)
Net cash from (used in) investing activities	<u>17,666,518</u>	<u>(10,182,918)</u>
<u>Cash flows from financing activities</u>		
Treasury shares	-	(663)
Repayment of loans and borrowings	(11,677,472)	(1,199,080)
Payment of finance lease liabilities	-	(299,173)
Payment of lease liabilities	(307,435)	-
Proceeds of loan	4,135,000	5,284,395
Amount owing to director	(150,000)	-
Net utilisation of bank overdraft	(803,711)	3,328,214
Net cash (used in) from financing activities	<u>(8,803,618)</u>	<u>7,113,693</u>
Net (decrease) increase in cash and bank balances	(657,870)	(2,055,708)
Cash and bank balances at beginning of period	1,057,446	4,546,840
Cash and bank balances at end of period	<u>399,576</u>	<u>2,491,132</u>
Cash and cash equivalents consist of the following:		
Cash and bank balances	780,789	2,861,614
Less: Deposits with licensed banks	(381,213)	(370,482)
	<u>399,576</u>	<u>2,491,132</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 <u>31/3/2019</u> RM '000 (UNAUDITED)	PRECEDING YEAR CORRESPONDING QUARTER <u>31/3/2018</u> RM '000	CURRENT YEAR TO DATE <u>31/3/2019</u> RM '000 (UNAUDITED)	PRECEDING YEAR CORRESPONDING PERIOD <u>31/3/2018</u> RM '000
1 Revenue	25,766	46,530	25,766	46,530
2 Profit (loss) before taxation	(9,327)	(9,106)	(9,327)	(9,106)
3 Profit (loss) for the period	(9,203)	(7,833)	(9,203)	(7,833)
4 Profit (loss) attributable to ordinary equity holders of the parent	(8,646)	(7,341)	(8,646)	(7,341)
5 EPS-Basic (sen)	(4.99)	(4.24)	(4.99)	(4.24)
6 Proposed/ Declared Dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER <u>31/3/2019</u> RM (UNAUDITED)	AS AT END OF PRECEDING FINANCIAL YEAR END <u>31/12/2018</u> RM	AS AT END OF PRECEDING FINANCIAL YEAR END <u>1/1/2018</u> RM
7 Net assets per share attributable to ordinary shareholders of the parent	1.59	1.64	1.72

Part A3-ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER <u>31/3/2019</u> RM '000	PRECEDING YEAR CORRESPONDING QUARTER <u>31/3/2018</u> RM '000	CURRENT YEAR TO DATE <u>31/3/2019</u> RM '000	PRECEDING YEAR CORRESPONDING PERIOD <u>31/3/2018</u> RM '000
1 Gross interest income	3	2	3	2
2 Gross interest expenses	(2,815)	(1,688)	(2,815)	(1,688)

Note: The summary of key financial information should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes to the interim financial statements.