

HARN LEN CORPORATION BHD (502606-H)

Financial Year End : 31 December 2020
 Quarter : First Quarter

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
	RM	RM	RM	RM
Revenue	27,699,746	25,765,861	27,699,746	25,765,861
Cost of sales	(22,257,808)	(20,824,648)	(22,257,808)	(20,824,648)
Gross profit	5,441,938	4,941,213	5,441,938	4,941,213
Other income	517,713	622,401	517,713	622,401
Distribution expenses	(2,037,252)	(2,809,630)	(2,037,252)	(2,809,630)
Administrative expenses	(10,299,071)	(8,906,268)	(10,299,071)	(8,906,268)
Other expenses	-	(362,654)	-	(362,654)
Results from operating activities	(6,376,672)	(6,514,938)	(6,376,672)	(6,514,938)
Finance costs	(2,128,157)	(2,815,042)	(2,128,157)	(2,815,042)
Interest income	-	2,678	-	2,678
Loss before tax	(8,504,829)	(9,327,302)	(8,504,829)	(9,327,302)
Income tax expense	(673,344)	124,321	(673,344)	124,321
Total comprehensive loss for the period	(9,178,173)	(9,202,981)	(9,178,173)	(9,202,981)
Loss attributable to ;				
Owners of the Company	(8,663,030)	(8,645,694)	(8,663,030)	(8,645,694)
Non-controlling interests	(515,143)	(557,287)	(515,143)	(557,287)
Loss for the period	(9,178,173)	(9,202,981)	(9,178,173)	(9,202,981)
Loss per share				
Basic (sen)	(5.00)	(4.99)	(5.00)	(4.99)
Weighted average number of shares	173,219,859	173,219,859	173,219,859	173,219,859

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 2019 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 2020

	As at 31/3/2020 RM	As at 31/12/2019 RM (AUDITED)
Assets		
Non-current assets		
Property, plant and equipment	215,088,443	219,106,655
Investment properties	109,169,648	109,508,211
Right-of-use assets	75,288,101	75,664,683
Goodwill on consolidation	5,794,799	5,794,799
Total non-current assets	<u>405,340,991</u>	<u>410,074,348</u>
Current assets		
Biological assets	1,519,565	2,163,902
Inventories	4,380,980	5,195,286
Trade receivables	4,198,785	4,879,286
Other receivables, deposits and prepaid expenses	34,465,051	35,817,504
Amount owing from affiliated companies	4,530,424	3,570,244
Tax recoverable	-	1,057
Cash and bank balances	1,579,191	1,621,489
	<u>50,673,996</u>	<u>53,248,768</u>
Assets classified as held for sale	50,620,622	50,982,388
Total current assets	<u>101,294,618</u>	<u>104,231,156</u>
Total assets	<u><u>506,635,609</u></u>	<u><u>514,305,504</u></u>
Equity and liabilities		
Capital and reserves		
Share capital	198,380,013	198,380,013
Reserves	33,382,108	38,826,668
Equity attributable to owners of the company	<u>231,762,121</u>	<u>237,206,681</u>
Non-controlling interests	(13,178,406)	(12,663,263)
Total equity	<u>218,583,715</u>	<u>224,543,418</u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	19,558,446	19,957,446
Loans and borrowings	8,430,905	8,795,004
Lease liabilities	21,925,512	21,859,924
Total non-current liabilities	<u>49,914,863</u>	<u>50,612,374</u>
Current liabilities		
Trade payables	70,789,362	74,484,637
Other payables and accrued expenses	72,045,724	55,361,660
Amount owing to affiliated companies	15,767,147	16,924,729
Amount owing to a director	735,288	960,288
Tax liabilities	4,020,648	3,066,675
Loans and borrowings	74,778,862	88,351,723
Total current liabilities	<u>238,137,031</u>	<u>239,149,712</u>
Total liabilities	<u>288,051,894</u>	<u>289,762,086</u>
Total equity and liabilities	<u><u>506,635,609</u></u>	<u><u>514,305,504</u></u>
Net assets per share (sen)	126.19	129.63

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Share Capital RM	Treasury Shares RM	Share Option Reserve RM	Retained Profit (loss) RM	Total RM	Non-controlling Interests RM	Total Equity RM
At 1 January 2020	198,380,013	(9,871,127)	-	48,697,795	237,206,681	(12,663,263)	224,543,418
Total comprehensive loss for the period	-	-	-	(8,663,030)	(8,663,030)	(515,143)	(9,178,173)
Share option granted under ESS	-	-	346,010	-	346,010	-	346,010
Share granted under ESS	-	4,220,123	-	(1,347,663)	2,872,460	-	2,872,460
Balance at 31 March 2020	198,380,013	(5,651,004)	346,010	38,687,102	231,762,121	(13,178,406)	218,583,715
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)
Balance at 31 March 2019	198,380,013	(9,871,127)	-	98,343,059	286,851,945	(11,476,535)	275,375,410

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 FIRST QUARTER ENDED 31 MARCH 2020

	<u>31/3/2020</u>	<u>31/3/2019</u>
	RM	RM
<u>Cash flows from operating activities</u>		
Loss before tax	(8,504,829)	(9,327,302)
Adjustments for:		
Depreciation and amortisation	4,896,176	5,775,369
Finance costs	2,128,157	2,815,042
Interest received	-	(2,678)
Loss on fair value of biological assets	644,337	154,094
Oil palm seedling written off	-	27,501
Share granted under ESS	2,872,460	-
Share option granted under ESS	346,010	-
Gain from sale of asset classified as held for sale	(478,394)	(569,600)
Operating profit (loss) before changes in working capital	<u>1,903,917</u>	<u>(1,127,574)</u>
<u>Increase (Decrease) in working capital:-</u>		
Change in inventories	814,306	(1,044,908)
Change in trade debtors and other receivables	2,032,954	(800,388)
Change in trade creditors and other payables	12,420,156	(3,554,400)
Amount owing from affiliated companies	-	(48,280)
Amount owing to affiliated companies	(2,117,762)	(1,275,823)
Cash generated from (used in) operations	<u>15,053,571</u>	<u>(7,851,373)</u>
Income tax paid	(117,314)	(128,020)
Income tax refunded	-	1,208,210
Net cash from (used in) operating activities	<u>14,936,257</u>	<u>(6,771,183)</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(141,668)	(1,333,482)
Proceed from sale of asset classified as held for sale	840,160	19,000,000
Interest received	-	2,678
Increase in fixed deposit	-	(2,678)
Net cash from investing activities	<u>698,492</u>	<u>17,666,518</u>
<u>Cash flows from financing activities</u>		
Finance expenses paid	(1,513,320)	(2,749,587)
Repayment of loans and borrowings	(1,862,309)	(11,677,472)
Payment of lease liabilities	-	(307,435)
Proceeds of loan	-	4,135,000
Amount owing to a director	(225,000)	(150,000)
Net utilisation of bank overdraft	(12,076,418)	(803,711)
Net cash used in financing activities	<u>(15,677,047)</u>	<u>(11,553,205)</u>
Net decrease in cash and bank balances	(42,298)	(657,870)
Cash and bank balances at beginning of period	1,232,472	1,057,446
Cash and bank balances at end of period	<u><u>1,190,174</u></u>	<u><u>399,576</u></u>
Cash and cash equivalents consist of the following:		
Cash and bank balances	1,579,191	780,789
Less: Deposits with licensed banks	(389,017)	(381,213)
	<u><u>1,190,174</u></u>	<u><u>399,576</u></u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

Part A2-SUMMARY OF KEY FINANCIAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER <u>31/3/2020</u> RM '000 (UNAUDITED)	PRECEDING YEAR CORRESPONDING QUARTER <u>31/3/2019</u> RM '000	CURRENT YEAR TO DATE <u>31/3/2020</u> RM '000 (UNAUDITED)	PRECEDING YEAR CORRESPONDING PERIOD <u>31/3/2019</u> RM '000
1 Revenue	27,700	25,766	27,700	25,766
2 Profit (loss) before taxation	(8,505)	(9,327)	(8,505)	(9,327)
3 Profit (loss) for the period	(9,178)	(9,203)	(9,178)	(9,203)
4 Profit (loss) attributable to ordinary equity holders of the parent	(8,663)	(8,646)	(8,663)	(8,646)
5 EPS-Basic (sen)	(5.00)	(4.99)	(5.00)	(4.99)
6 Proposed/ Declared Dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER <u>31/3/2020</u> RM (UNAUDITED)	AS AT END OF PRECEDING FINANCIAL YEAR END <u>31/12/2019</u> RM (AUDITED)
7 Net assets per share attributable to ordinary shareholders of the parent	1.26	1.30

Part A3-ADDITIONAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	CURRENT YEAR QUARTER <u>31/3/2020</u> RM '000	PRECEDING YEAR CORRESPONDING QUARTER <u>31/3/2019</u> RM '000	CURRENT YEAR TO DATE <u>31/3/2020</u> RM '000	PRECEDING YEAR CORRESPONDING PERIOD <u>31/3/2019</u> RM '000
1 Gross interest income	-	3	-	3
2 Gross interest expenses	(2,128)	(2,815)	(2,128)	(2,815)

Note: The summary of key financial information should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying notes to the interim financial statements.